

The role of the non-profit sector in Canadian development assistance.



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# The Role of the Non-Profit Sector in Canadian Development Assistance

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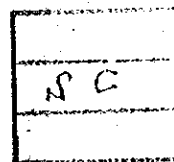


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JAPAN INTERNATIONAL COOPERATION AGENCY  
CANADA OFFICE



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THE ROLE OF THE NON-PROFIT SECTOR  
IN CANADIAN DEVELOPMENT ASSISTANCE

A STUDY CONDUCTED BY  
RAWKINS INTERNATIONAL ASSOCIATES

ON BEHALF OF

THE JAPAN INTERNATIONAL COOPERATION AGENCY

Toronto, March 1994

## EXECUTIVE SUMMARY

### Section A

Canada is unusual for the range of organizations from the Non-Profit Sector engaged in development cooperation activities. To a degree, the extensive involvement of non-profit organizations in ODA parallels trends in other areas of Canadian public policy. Since the 1960s, the Non-Profit Sector, particularly in regard to its involvement in international development activities, has become professionalized. CIDA has played a significant role in encouraging this trend. CIDA has taken pride in the strength of the Non-Profit Sector, and has benefited politically from the substantial involvement in Canadian ODA of a wide range of organizations drawn from key sectors of Canadian social and economic life.

The core concept underlying CIDA's approach to the provision of financial support to the NGOs and other elements of the Non-Profit Sector has been "responsiveness". The term suggests that CIDA responds to the initiatives of its Canadian partners, and that it provides funding in partial support of the activities of others. Thus, "responsive programmes" are owned by CIDA's partners, and not by CIDA.

However, over the years since CIDA funding of this kind began in the 1960s, the trend has been for government funding to account for an increasing share of the overall financial flows from the Non-Profit Sector to overseas programming. As this trend has occurred, so CIDA has sought to provide more detailed guidelines for eligibility and accountability. Thus there has been a move towards a middle position between a purely responsive program and one guided by CIDA's priorities, concerns and preferences.

The Non-Profit Sector is an important ally for CIDA in its efforts to persuade the government and the public of the value of public spending on ODA. At the same time, the NGOs, in particular, are often critical of CIDA and the government for its policies and decision-making. In recent years, CIDA has moved to introduce more extensive and regularized forms of consultations with its partners as a means to manage the "creative tension" which exists between the Agency and the Non-Profit Sector.

## Section B

The Canadian Partnerships Branch (CPB) is CIDA's "window" on the Non-Profit Sector and the base for its responsive programs. However, during the 1980s a number of other funding opportunities for the Non-Profit Sector opened, as other CIDA branches became aware of its strong capabilities in such areas as HRD, Institution-Building and Humanitarian Assistance. Particularly important was the increasing utilization of major NGOs, universities, cooperatives and volunteer-sending agencies as implementing organizations in the Bilateral programmes through the Country Focus mechanism. At the same time, CPB introduced a series of "Thematic Funds", encouraging NGOs to become involved in countries/regions and thematic areas of particular interest to the Agency. Taken together, these trends strengthened the tendency for CIDA to seek to manage the overall direction of the activities undertaken by the Non-Profit sector.

The NGOs are particularly important for their overall influence within the Canadian development community. They are far from a homogeneous group, however, and vary greatly in size, fund-raising capacity, ability to manage overseas programmes directly, and in their willingness and ability to take on a policy advocacy role. There was dramatic growth in the NGO community from 1965 to 1980, since when the rate of growth has declined. Altogether, an estimated 35,000 to 40,000 individuals are involved directly with Canadian NGOs. A key institution is the Canadian Council for International Cooperation (CCIC), a broad-based and highly-respected "umbrella organization" for Canada's NGOs.

NGO funding is managed by CPB's NGO Division, while funds for the volunteer-sending agencies (VSAs), cooperatives, universities and colleges and labour unions are managed by the Institutional Cooperation and Development Services Division. The four large VSAs are major organizations, each of which has a network of overseas offices. Together, they are responsible for placing some 2,000 overseas volunteers every year. The organizations are also heavily involved in CIDA's bilateral programme, and many manage activities for multilateral agencies.

The Educational Institutions Program (EIP) is an important feature of CIDA's partnership programme, providing financial support for linkage activities of Canada's universities and community colleges. Like the NGOs, the higher educational institutions have a significant place in CIDA's Bilateral programmes.

Also housed in CPB is the International Non-Government Organizations Division (INGO). CIDA is unusual in possessing a dedicated funding programme to support INGOs, which it regards as organizations "on the leading edge" of development policy and action. Human Rights, Environment, Population and Women-in-Development are primary fields of concentration for the INGO programme. Some 30 per cent of the INGOs supported are based in Canada.

Also included in the INGO Division is the Governance programme, through which CIDA provides funds to support cooperative activities of specialized Canadian organizations (mostly professional associations and institutions), aimed at strengthening public sector management and governance with partner organizations overseas. The largest element of the programme at present is the Municipal Development Programme, supporting city-to-city linkages.

### Section C

As CIDA has undergone major institutional changes in the past 2 or 3 years, so CPB has attempted to adapt its policy and programming to new Agency priorities. Currently, the Branch is in the process of implementing a new set of programme frameworks, seeking to move a large proportion of its partnership activities into "grant funding" arrangements. This would allow CIDA to provide longer-term support for an agreed programme of activities for an individual organization over a period of 3 to 5 years, without requiring detailed managerial or financial accountability for specific projects. However, it would require CIDA to undertake rather detailed "institutional assessments" of its partners. The new approach is most fully-developed at this point with the NGOs and the Volunteer-Sending Agencies (VSAs). The Institutional Review, the Performance Assessment Grid, and the Financial Management Assessment, are three principal tools through which the Agency determines the level of allocations to its major NGO and VSA partners.

### Section D

A brief set of Lessons for JICA Policy is set out on pages 74 to 76. The lessons seek to distil those lessons of the Canadian experience which appear to be most applicable to the Japanese context. The lessons are set out succinctly, and the reader is directed to the three pages in the main text. However, in summary, perhaps the most central lesson is for JICA to make a modest beginning, to monitor carefully, and to work - as far as possible - in a transparent and cooperative manner with its partners from the beginning.

If JICA is to maintain its credibility, it will also be required to build its own in-house capacity of individuals who can understand how and why Japanese and developing country NGOs and other Non-Profit Organizations operate as they do. Bridging the gap between organizational cultures is one of the most difficult and central challenges of successful ODA programming with the Non-Profit Sector. Finally, JICA is advised to explore, at an early stage, mechanisms for collaboration between the NGO unit within JICA and the principal programme divisions. This is not an area where CIDA has enjoyed as much success as should have been the case.

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## PREFACE

This report is based primarily on the author's experience in working with the Canadian Non-Profit Sector, as well as with CIDA, in a variety of roles over the past 18 years. In order to complete the study, the author requested and received support from a number of sources. A small number of interviews was undertaken with representatives of CIDA's Canadian Partnership Branch (CPB), as well as with organizations drawn from the Non-Profit Sector.

I should like to express my appreciation to the Vice-President, Directors General and staff of CPB for their assistance in providing information and documents. CIDA's Corporate Memory section was also of considerable importance in providing data requested for this study. Similarly, the Canadian Council for International Cooperation, the Association of Community Colleges of Canada, and the Association of Universities and Colleges of Canada were most helpful in providing assistance to the author.

Assistance in the production of this report was provided by Ms. Mary Burke and Ms. Airnee Kozal. Mr. Eric Steedman also provided valuable input to the study.

In closing, I should like to express my appreciation to Mr. Hideo Aruga and his staff at the JICA office in Toronto for their support and continuing interest in the study.

## SECTION A

### A. INTRODUCTION AND OVERVIEW

#### A1 THE NON-PROFIT SECTOR OR THE VOLUNTARY SECTOR?

It is normal international practice within CIDA, and with other donors, to use the term "Voluntary Sector" or even "NGOs" to denote the set of organizations examined in the present study. In this report, the term "Non-Profit Sector" is preferred, as a more accurate term to describe a broad range of organizations linked to and funded by the Canadian ODA Programme. The term "Voluntary Sector" is more appropriate for the NGOs. Such organizations are "voluntary" in the sense that their existence represents the outcome of a choice by a group of people to come together to pursue a cause or a goal.<sup>1</sup> However, even here the term is somewhat misleading and not entirely appropriate.

A few Canadian NGOs continue to send volunteers to the field. Yet today numbers are declining, and the overall importance of overseas volunteer activity is declining in importance and perceived relevance within the Canadian NGO community and within CIDA. Many NGOs rely heavily on volunteer support for fund-raising activities in Canada, and, by law, all have volunteer Boards of Directors. No payment may be made for service on the board of an NGO or any of its committees.

However, today, larger NGOs are managed by professional secretariats. Most Canadian NGOs have moved beyond short-term emergency and relief support to efforts to support longer-term, self-reliant development. To engage with the development process is seen to require a better-informed approach, based on local knowledge, as well as an understanding of overseas partners. Not all NGOs have a field presence overseas, but most have access to solid information about the situation in the countries to which funds are channelled.

Over the past 20-30 years, the organization and character of well-established NGOs, at least, has changed considerably. The term "voluntary sector" presents an image at odds with the professionalism and hard-headedness of most of the organizations here considered.

"Voluntarism" also suggests commitment and idealism, and certainly that remains an element - and a driving force - for the NGOs, just as it does for many of those working with the cooperatives, professional associations, universities, colleges and other Canadian organizations engaged in development assistance. Some individuals still provide their time as professionals on a voluntary basis, but within the framework of professionally-planned and organized activities. For those working full time in development activities in the Non-Profit Sector, few are doing so to maximize their earning potential. Yet more than altruism and personal commitment has been required to sustain the involvement of a wide range of organizations in development assistance programmes for so many years.

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<sup>1</sup> Tim Brodhead and Brent Herbert-Copley, Bridges of Hope. Ottawa: North-South Institute, 1988, x.

While it would be wrong to dismiss the importance of idealism, the term "voluntarism" might be seen to suggest a set of activities led by the well-meaning amateur working from a Christian, charitable impulse. For good or bad, the complexity of development requires a level of sophistication and awareness that is incompatible with such a simple ethos. Charity is not well-received in the developing world, which is wary of paternalism and foreign domination. What is needed is an input which has a clear value-added component, strengthening on-going development efforts. The Non-Profit Sector is effective only where it is able to meet such demands.

## A2 THE ORIGINS, SCOPE AND FUNDING OF THE NON-PROFIT SECTOR IN CANADIAN ODA

Canada is unusual among members of the OECD's Development Assistance Committee (DAC) for the range, variety and number of organizations from the "Non-Profit Sector" involved in the ODA programme. Today, CIDA is providing support to approximately 500 such organizations, ranging from tiny, community-based organizations, to highly-professionalised, non-profit development services agencies, with multi-million dollar budgets from a variety of sources. Although CIDA's Canadian Partnership Branch offers a range of funding programmes to support the activities of the "non-profits", in addition there exists a complex set of other arrangements and mechanisms through which funds can be obtained, many of them based elsewhere in CIDA. As a result, large numbers of organizations obtain financial support for development activities from a variety of CIDA funding "windows", each of which has different rules, procedures and financial terms.

The strong role played by the Non-Profit Sector in Canadian development assistance should be understood, in part, in the context of the general importance of interest-groups and "policy constituencies" in the Canadian political process. The organizations which form the Non-Profit Sector are drawn from many of those sectors of social, cultural and economic activity, which have a strong influence in a variety of domestic and foreign policy fields. Besides the conventional NGOs, such as OXFAM Canada, CARE Canada and the church-based groups, there are also the universities, community colleges, professional associations (notably the health professions), municipalities, the cooperatives (an important presence, particularly in Quebec and the Prairie provinces), labour unions and teachers' associations.

As to historical origins, the international involvement of many of these types of organizations derives from the strong role of "Voluntarism" in Canada (as in the U.S. and U.K.) in complementing the role of government in public life, especially in the provision of social and community services. The churches, some universities and the teachers' associations were involved in what might be termed "charitable" overseas activities many years before the existence of a Canadian ODA programme.

Many of the major Canadian NGOs, such as CARE Canada, OXFAM Canada, Save the Children and Foster Parents Plan, have their origins in the 1940s and 1950s, when a number of relief and refugee agencies were established, often as associates of parent organizations in the U.S. or U.K.<sup>2</sup>

The high visibility of such cooperative voluntary initiatives as the United Way (a broad-based, fund-raising effort by major domestic charities, conducted annually across the country) and service clubs such as Rotary, the Kiwanis and the Lions' Clubs offer an ever-present reminder of the Canadian tradition of "Voluntarism". Religious organizations and other community-based groups continue to contribute to community welfare activities in a variety of ways. In more recent years, women's groups, legal aid centres, the literacy movement, anti-poverty organizations, tenants unions, housing cooperatives and the environmental movement, have also emerged to support the interests of special groups, adding to the variety of concerns and approaches within the voluntary sector.<sup>3</sup>

It was in the period between the mid-1960s and the late 1970s that the Non-Profit Sector came to be a central element in the Canadian "Development Community". In part, this was the result of domestic developments. It was also partly the result of a recognition on CIDA's part of the benefits - both substantive and political - that might be obtained from channelling significant elements of the aid budget through the Non-Profit Sector.

Growing attention in Canadian public life to community development and participatory processes as essential to enhancing citizenship and social justice during this period facilitated the emergence of a group of non-government organizations, focusing their energies on the problems of the developing world. Students and professors in the universities, as well as teachers and their organizations, were also part of this idealistic movement of solidarity with the developing world.

Later in this period, it became the general practice by federal and provincial governments to provide funds to support public interest groups. It came to be accepted that the use of public funds for such purposes was a means to strengthen society and state and to encourage a vibrant democracy.<sup>4</sup> The same beliefs soon extended to the then growing ODA programme. They also underlie support at the present time by the Canadian government and parliamentarians for efforts to strengthen "Civil Society" in the developing world and the former U.S.S.R.

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<sup>2</sup> Ian Smillie and Ian Filwood, "Trends and Issues in the Evolving Relationships Between Donor Agencies and Development NGOs: Canada", OECD Development Centre Informal Meeting, Paris, June 1993, p.1. This source is henceforth cited as "OECD".

<sup>3</sup> For a discussion, see Brian K. Murphy, "Canadian NGOs and the Politics of Participation", in Jamie Swift and Brian Tomlinson, Eds., Conflict of Interest: Canada and the Third World. Toronto: Between the Lines, 1991, especially pp. 161-6.

<sup>4</sup> See Susan Phillips, "How Ottawa Builds: Strengthening Relationships with Interest Groups", in Frances Aberle, Ed., How Ottawa Spends, 1991-92, Ottawa: Carleton University Press, 1991, p. 199; also Bruce Doern and Richard W. Phidd, Canadian Public Policy: Ideas, Structure, Process. Toronto: Methuen, 1983, especially chapter 3.

As it was put in the 1987 report of the Parliamentary Standing Committee on External Affairs and International Trade ("The Winegard Report"), "A pluralistic society must have a pluralistic aid programme."<sup>5</sup> The committee went on to endorse strongly the involvement of the NGOs and the universities, alongside the Canadian private sector, in the development assistance programme, pointing out that each brings a different perspective to Canadian ODA. The committee suggested that Canada was "a world leader in encouraging the interest and participation of its citizens in the aid programme." It also pointed to the value of CIDA maintaining a "responsive" (rather than directive) approach to its Canadian partners, as a means of optimizing their "creative input" in strengthening Canada's international development role.

CIDA itself has often taken a similar position. In its annual report of 1987-88, it asked the question: "What Makes Canadian Aid Different?" The report continued: "to a large extent, the answer is "Special Programmes."<sup>6</sup> It was the Special Programmes Branch that was responsible for the Agency's programmes with the Non-Profit Sector. Similarly, in the government's official ODA Strategy Paper, Sharing Our Future, it was suggested that "the partnership with NGOs is... more important than ever before." The report went on to state that "this innovative partnership has worked so well that many consider it the smash success of Canada's development efforts."

From the late 1960s to more recent years, the growth in CIDA funding to the Non-Profit Sector paralleled developments on the domestic scene, with such Federal Government departments as the Secretary of State and Multiculturalism and Citizenship providing significant support to a variety of interest and advocacy groups. The total value of contributions to such organizations by the two ministries in 1991-92 amounted to \$130 million, divided among more than 300 groups.<sup>7</sup> Under the Conservative administration of Brian Mulroney, such funding was reduced. In any case, the magnitude of funds provided to support the international development efforts of the Canadian Non-Profit Sector is exceptional, particularly given the relatively small proportion of overall public spending accounted for by ODA.

As the result of a prolonged period of CIDA funding, a significant "development community" or constituency has emerged, with a large number of individuals owing their continuing livelihood to funds provided by the Government of Canada. The political advantages to CIDA of building a "broad-based domestic constituency", which would act as an ally to the ODA programme at times of threats to its budget or mandate, was an important consideration by the Agency's senior management in facilitating the growth of the Non-Profit Sector.<sup>8</sup> However, it would be cynical to suggest that this was the most important motivation for the Agency.

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<sup>5</sup> See Winegard, p. 93.

<sup>6</sup> CIDA, Annual Report 1987-88, p. 77.

<sup>7</sup> See Susan Phillips.

<sup>8</sup> Interviews with members of senior management of CIDA at the time conducted by the author in 1989 and 1990.

The growth of support for Canadian NGOs, in particular, took place for a variety of reasons. It was clearly compatible with the "liberal internationalism" which characterized foreign policy at the time, and where foreign aid aimed at the most needy was viewed as a means of containing communist and radical politics in the developing world and in buttressing support for the Western powers. At the same time, within CIDA itself, many senior officers and middle managers recognized the difficulties facing the government of Canada in building programmes to reach local communities in the developing world. There was often antagonism between the "peoples' movements" and the governments of the countries concerned. Thus, it was recognized that it would be advisable to reach the "target communities" through a third party (ie. the Canadian NGOs), rather than by confronting the recipient government through introducing such elements in government-to-government programming.<sup>9</sup>

From small beginnings in the late 1960s, CIDA funding of the Non-Profit Sector grew dramatically. The first ODA allocation to a Canadian NGO came prior to the formation of CIDA, with a grant in 1965 from the External Aid Office of \$500,000 to CUSO, which continues to play a leading role among Canadian NGOs.<sup>10</sup> In 1968, total funds allocated to NGOs (it was only NGOs that were supported at this time), amounted to \$4.12 million, shared by a small number of organizations. By 1989-90, CIDA's Special Programmes Branch (now Canadian Partnerships Branch), provided contributions amounting to \$132.86 millions in cash and the equivalent value of \$23.49 million in food aid to NGOs. Some 150 NGOs each received in excess of \$350,000. At the same time, according to the Canadian Council for International Cooperation (CCIC: the representative association for Canadian NGOs), the NGOs succeeded in raising some \$250-300 million in donations from the Canadian public.

In the same year, 59 "NGIs" (a term which includes all the other types of Canadian organizations listed earlier) received a total of \$111.42 million.<sup>11</sup> Beyond this, since the early 1980s, many NGOs and NGIs have played a substantial role in CIDA's Bilateral programme, which provides an additional source of Agency funding. In 1989-90, the total funds received by NGOs and NGIs through this channel amounted to \$166 million, more than 16 per cent of the overall Bilateral budget, and larger than the entire budget for the Americas.<sup>12</sup>

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<sup>9</sup> See Brian Murphy, *op. cit.*; also Cranford Pratt, "The Shaping of Canadian Development Assistance Policies", in C. Pratt, Ed., Canadian Development Assistance: A Contemporary Appraisal. Montreal: McGill-Queen's University Press, 1994.

<sup>10</sup> Ian Smillie, A Time To Build Up: New Forms of Cooperation Between NGOs and CIDA, study for CCIC, December 1991, pp. 7-8.

<sup>11</sup> *ibid.*

<sup>12</sup> Calculated from data supplied to the author by CIDA Corporate Memory, March 1994, henceforth cited as "Corporate Memory".

Finally, in the same year, NGOs received \$11.1 million through the International Humanitarian Assistance Programme (IHA) in Multilateral Programmes Branch. The IHA budget has increased significantly in recent years, and, typically, some 10 - 12 per cent of the total is channelled through Canadian NGOs, such as CARE Canada and the Canadian Council of Churches.<sup>13</sup>

Leaving aside funds raised by NGOs and the value of the "in-kind" contributions of the NGOs (staff time, the value of facilities and equipment utilized), total CIDA funding channelled through the Non-Profit Sector in 1989-90 amounted to \$344.93 million, from an overall CIDA budget of \$2.827 billion, 12.2 per cent of the total.<sup>14</sup> For 1990-91, the figure, based on similar sources, has been estimated at 13.7 per cent of all Canadian ODA.<sup>15</sup>

### A3 FROM "MATCHING GRANTS" TO "GUIDED RESPONSIVENESS": CIDA'S RELATIONS WITH THE NON-PROFIT SECTOR

From the beginning, the central concept underlying the channelling of ODA funds through the Non-Profit Sector has been that of responsiveness. In the most recent draft of its "Briefing Book", CIDA's Canadian Partnership Branch (CPB) continues to emphasize the fact that "the responsive nature of all CPB programmes is the principal feature distinguishing them from the Bilateral (Geographic) programmes. Unlike the Bilateral programmes, CPB responsive programmes place the full developmental responsibility in the hands of our partners."<sup>16</sup>

By contrast, in the Bilateral programmes, it is CIDA which determines the overall policy framework and sets priorities. In the Bilateral programmes, it is thus CIDA and not the implementing agency (whether from the private or the Non-Profit Sector), which, in theory, manages relations with the developing country government and institutions. Hence, the partnership funding programmes for the Non-Profit Sector have been exempted from many of the constraints which apply to the Bilateral programme. These include: the tying of aid to Canadian goods and services (many Canadian NGOs channel funds directly to developing country partners); country and sector priorities; and - perhaps of particular interest to JICA - the requirement that prior approval be obtained from a host government. In practice, NGO proposals are cleared through the Canadian embassy in the country concerned.<sup>17</sup> Yet the clearance process is not formally required, and is not undertaken on the basis of a request for official host government approval. In fact, both CIDA and NGOs have utilized this channel of development assistance quite deliberately to provide funding aimed to reach the most needy in countries such as El Salvador, Haiti or the Philippines, where formal programmes of government-to-government

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<sup>13</sup> OECD, p. 10.

<sup>14</sup> Calculated from Corporate Memory data.

<sup>15</sup> OECD, p.15.

<sup>16</sup> Canadian Partnership Branch, Briefing Book (draft), August 1993, p. 31.

<sup>17</sup> Bridges of Hope, p. 3.



assistance did not exist at the time and where, for political reasons, there was a clear desire to avoid providing funds to what was perceived to be a dictatorial and oppressive regime.

Yet despite the core operating principles associated with "responsiveness", where CIDA responds to the initiatives of its Canadian partners, paradoxically, it has been suggested that it is government funding and the associated requirements that have determined, over time, the overall pattern of activity by Canadian NGOs and NGIs. This has been argued by the authors of Bridges of Hope, an authoritative study of Canadian NGOs, sponsored by the North-South Institute and published, in 1988.<sup>18</sup> It is also true, in the judgement of the author of this report, of the other organizational sectors of the Non-Profit Sector supported by CIDA.

However, CIDA, in turn, has been affected by the concerns and priorities of its partners, particularly the NGOs. During CIDA's years of expansion in the 1970s and early 1980s, it recruited heavily from those with work or volunteer experience overseas with NGOs. A number of CIDA's senior officials up to the Vice-Presidential level, from the 1980s to the present time, have an NGO background, as have perhaps 25 per cent or more of the professional staff.<sup>19</sup>

CIDA emerged from a period of considerable difficulty in the late 1970s, when it found itself subject to a fierce onslaught of criticism from inside the government and bureaucracy, as well as from the media and the public. By the mid-1980s, it had restructured its management and accounting procedures and had emerged as a far more professional organization.<sup>20</sup> It was also during this time, with many former members of the NGO community playing a leading role, that it took over many of the development programming innovations and ideas associated with the NGOs. In other words, CIDA looked carefully at the responsive programmes it was supporting and absorbed whatever lessons were to be learned into improvements in its own policy and programming practice. According to CIDA's President from 1982 - 1989, Margaret Catley-Carlson, among the ideas borrowed were: smaller projects, decentralized control, a focus on people and their needs (rather than building infrastructure as an end in itself), and attention to women as a priority group. But in a meeting with CIDA's NGO partners in 1988, she went on to note what was perhaps an unforeseen consequence of this trend:

"These are just a few of the many reforms and improvements that started with you... It seems that official thinking has been moving ahead faster and catching up. In some cases... I am not so sure whether you are pulling us anymore, or whether we are pushing you."<sup>21</sup>

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<sup>18</sup> p.4.

<sup>19</sup> Based on evidence from surveys conducted by the author for CIDA Policy Branch, July-August 1993.

<sup>20</sup> Based on the author's "CIDA: An Institutional Analysis", in Cranford Pratt, Ed., Canadian Development Assistance: A Contemporary Appraisal.

<sup>21</sup> As quoted in Mind If I Cut In?, Report of the CCIC Task Force on CIDA-NGO Funding Relationships, October 1988, p. 7.

It is here that we find the roots of the paradox considered above: On the one hand, continuing insistence by CIDA on the responsive nature of programmes with the Non-Profit Sector; on the other, evidence of growing CIDA influence on the directions taken by organizations within the sector. Initially, the idea of the responsive programme was associated with a proposal by government that it provide a general contribution on a "matching fund" basis, to augment the funds raised by NGOs themselves. In this way, the flow of funds to the work of organizations of which CIDA thought highly, might be increased. The "matching fund" formula allowed for a measure of balance, and ensured that the initiative was clearly owned by the non-government partner.<sup>22</sup> Similarly, contributions to the universities were based on a matching principle, such that universities demonstrated a willingness to match CIDA funds with in-kind contributions.

Over time, the requirement to match, in many cases, moved from 1:1 to a less demanding formula. Today, for many of the most prominent member organizations of the Canadian NGO community, it is estimated that up to 75 per cent of funds transferred overseas are contributed by CIDA.<sup>23</sup> Universities, colleges and other organizations have pressed CIDA to recognize their limited ability to match CIDA funds. Thus, although cost-sharing remains a requirement of contributions agreements signed between CIDA and non-profit organizations, the demands have become less exacting over the years.

CIDA has an obligation to account for the expenditure of public funds. The increasing financial dependency of the Canadian Non-Profit Sector has resulted in an increasing degree of intrusiveness on CIDA's part through efforts to assess the effectiveness, financial viability and governance structures of the organizations which it is supporting. These efforts have gone furthest with the NGOs and volunteer-sending agencies. These are institutions whose primary role lies in the development field. They are far more dependent on CIDA funds than are, for example, the professional associations, municipalities and universities, whose primary sphere of activity will always be within Canada.

Such developments have taken place on an incremental basis, rather than as the result of a formal change in policy. As in so much else, CIDA develops its policy as a reflection of changing practice. It is not policy, which, in the first instance, shapes programmes. Yet, CIDA's partners have cooperated with the Agency as these trends have occurred. However, the effect of CIDA's increasing willingness to fund a higher proportion of the costs of the operations of its partners overseas has been to introduce a far more pro-active role for the Agency in shaping the activities of its partners than was apparent in earlier years.

Concerns over the issue of maintaining responsiveness and autonomy for CIDA's partners is felt not only outside CIDA, but also within the funding Agency. The growth of CIDA funding has been a tribute to the perceived relevance and effectiveness of the Non-Profit Sector as an agent of development. The increasing willingness to provide larger amounts of money over longer

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<sup>22</sup> See discussions in Mind If I Cut In?, p. 36.

<sup>23</sup> ibid.

periods of time has also resulted from a recognition of the long-term requirements of development at the grass-roots, and of the growing requirement for professionalism in management, in responding to the increasing sophistication of overseas partners. But, along with this, there has been an understandable concern on the part of CIDA to take steps to ensure efficiency and quality of performance.

CIDA's partners frequently criticize the Agency for what is perceived to be its over-bureaucratic requirements and its inconsistencies. Despite this, there is little doubt that, over time, CIDA has made a contribution to raising standards of preparation, administration and performance across the ranks of the Non-Profit Sector.<sup>24</sup> This has resulted in a relationship between CIDA and the Non-Profit Sector described by one senior administrator as characterized by "guided responsiveness".<sup>25</sup>

The relationship, however, remains a guarded one, with the NGOs and NGIs maintaining an advocacy role on behalf of what they perceive to be sound development approaches. NGOs in particular, continue to assert the primacy of "humanitarian activism and social change".<sup>26</sup> From time to time, there is vigorous public criticism of CIDA by NGO and NGI representatives. CIDA's strong commitment to structural adjustment under President Marcel Masse (1989-1993) resulted in concerted and on-going opposition from the Canadian NGOs, whose work in the field gave them first-hand knowledge of the costs to the poor of such policies. NGOs - and many of the NGIs - bring to their work "an ethical view of development, based on the explicit ideal of men and women as bearers of values rather than as just producers and consumers."<sup>27</sup> This value-based approach sometimes leads to a divergence of views with CIDA and the government.

At times, the Non-Profit Sector, and again particularly the NGOs, have sought, through lobbying rather than public criticism, to persuade CIDA to modify its policy and approach through continuing pressure and the example of what they are willing to do with their own (non-CIDA) funds. In the late 1980s, NGOs had considerable impact in persuading CIDA to fund development work in countries and regions previously defined as "off-limits", such as Eritrea, Tigray and areas of Central America.<sup>28</sup>

At other times, the Non-Profit Sector will work with CIDA to seek to strengthen public support for the ODA programme and to influence the overall position of the government and parliament on broad policy issues as well as on budget matters. As CIDA's Partnership Branch has suggested, the organizations in the Non-Profit Sector "are among the most consistent and strongest public advocates of Canada's development assistance program."<sup>29</sup>

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<sup>24</sup> See, for example, discussion in Evaluation of CIDA's Non-Governmental Organization's Program, Final Report (Volume 1: Main Report), prepared by SECOMA Ltd for CIDA Audit and Evaluation Division, February 1992.

<sup>25</sup> Interview with author, March 1994.

<sup>26</sup> See The Critical 90's: CCIC Organizational Review, Discussion paper, October 1990, p. 21.

<sup>27</sup> Bridges of Hope, p. 36.

<sup>28</sup> ibid., p. 113.

<sup>29</sup> CPB Briefing Book, p.41.

The NGOs played a central role in early 1993 in supporting CIDA against perceived changes of direction being promoted by the Department of Foreign Affairs. Their efforts, combined with the resulting attention given to the issue in the media were largely responsible for dissuading the government from moving ahead on the basis of the recommendations from Foreign Affairs. It was also the NGOs which were influential in persuading the new Liberal administration to conduct a Foreign Policy and ODA review early in its term of office.<sup>30</sup> This curious relationship of mutual dependency is most apparent in the relations between CIDA and the NGOs. Both parties suggest that, where it works, the relationship of "creative and constructive tension" is one which benefits both CIDA and the broader development community in Canada, as well as partners overseas.<sup>31</sup>

CIDA's Partnerships Branch has pioneered the use of regular and extensive consultations with its partners on policy, programme frameworks, costing formulas and the funding allocations process. New programming frameworks developed for all major sets of partners in the past two years have been developed in more-or-less close collaboration with the umbrella organizations representing the membership of the sector groups. While this process and commitment to genuine partnership has been uneven across the sectors, in general, the openness, transparency and willingness to listen exhibited by Partnerships Branch is far from typical of the performance of CIDA as a whole. The Agency has been criticized - and quite justifiably - by informed observers for failing to consult on a meaningful basis as it has undertaken major changes in policy and programme funding allocations. The major changes to its Africa programme in 1993 are a case in point.

Where their dealings with the Bilateral branches are concerned, in a number of cases, NGOs and NGOs have been invited for "consultations" on new policy directions for a specific country or regional programme. In many cases, once the meetings begin, it quickly becomes clear that the overall direction has already been set. CIDA determined that it would resume Bilateral programming in Guatemala and El Salvador, for example, in the late 1980s, despite the concerted and vociferous objections of the NGO community. "Consultations" may have an extremely detrimental effect on cooperative relationships and "partnerships", where it becomes clear that one party will make all the decisions and where the second party is simply there to listen, with no opportunity to influence overall directions. There have been improvements more recently, and some country programmes from the Bilateral branches have entered into more open consultative relationships. However, as yet, this is not the established pattern for the Agency.

The decline in overall levels of Canadian ODA funds in the 1990s has resulted in new pressures on CIDA's partnership programmes. Less money has been available to partnership programmes, while the numbers of new organizations seeking funds from the branch continues to increase.<sup>32</sup>

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<sup>30</sup> Based on author's discussions with government officials and NGO representatives.

<sup>31</sup> See the interesting discussion in The Critical 90's, pp. 21-26.

<sup>32</sup> OECD, p. 23.

In periods of expanding budgets, it is easy to respond to new interests and concerns, while maintaining support to established partners. However, CIDA is now obliged to make choices in its funding allocations. In order to do so, while maintaining cooperative relations with its partners, it is obliged to spell out in far more detail the policies and principles underlying its programming decisions. It is also obliged to give far more direct attention to quality and performance in determining its funding allocations. This has proved complicated, since the rationale for responsiveness programmes, as noted above, is built on a blend of motivations. The expansion of programmes in the 1970s and 1980s had happened on an incremental basis, quite outside a clearly articulated policy framework. The commitment to "responsiveness" allowed the Agency and the branch that administered the programmes, a relatively free hand in determining the distribution of its allocations.

In the early 1990s, the Branch was asked by senior management and the Minister for an explanation of its pattern of allocations. It did not provide a direct answer to the question. In fact, most allocations levels for a particular year were determined primarily by the "historical funding relationship" with the organization concerned and the level of support provided the previous year. The allocation of funds was not based on detailed and explicit criteria.<sup>33</sup> Thus there is no policy explanation for the respective levels of funding flowing to the mainstream NGOs as compared with the volunteer-sending agencies, the cooperatives, the universities or colleges, professional associations or unions. Programmes developed partly in response to demand, partly in response to new thinking within the Branch, and particularly by its founding Vice-President, Dr. Lewis Perinbam, and through a blend of subjective judgement and response to external pressures. This approach, unscientific as it may sound, proved to be remarkably successful, in a period during which levels of funding continued to increase.

The context for this "permissive environment", in which flows of funding to the Non-Profit Sector continued to increase, was provided by the generally-favourable disposition towards the non-profits in the Agency and in government generally. The Bilateral branches, as will be discussed later, were also taking advantage of the capacities of the larger organizations from the Non-Profit Sector in their own programming.

The Winegard Report of 1987 and the subsequent government strategy, Sharing Our Future, showed, to a remarkable degree, the influence of the values and priorities of the Canadian Non-Profit Sector and their overseas partners. By contrast, the directions which CIDA has followed in the years since 1989 have taken the Agency further away from the centre of gravity of its partners.

In the early 1990s, CIDA underwent a long and drawn-out Strategic Management Review, on the basis of a major report prepared by the SECOR consulting group. This has resulted in internal reorganization, though not the major reorientation of the Agency senior management had hoped for. The responsive programmes were given little consideration during the review. There was

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<sup>33</sup> OECD, p. 19.

legitimate concern among CIDA's non-profit partners (and among many CIDA officials) that the philosophy and rationale for the programme would be replaced by a concern for more strategic and directed approaches, based on Canadian interests. Such anxieties were reinforced by the terms of reference for the CIDA evaluation of NGO Division in 1991 (carried out by a private consulting group). The Terms of Reference began with the questions: "Does the programme provide a relevant and valid contribution to CIDA's development strategy?" and "Does, or could the programme respond to other CIDA objectives in a relevant and adequate fashion?" Such questions were viewed as threatening, since they appeared to show little recognition of the programme's character, ethos and distinctive history.<sup>34</sup>

The NGOs and NGIs have maintained a close watch on developments at CIDA, and have continued to press their concerns with the Agency on every possible occasion. Canadian Partnership Branch has moved towards redefining its approach in light of the Agency's broader directions. In the past two years, the branch has begun to set out an overall philosophy and guiding principles to direct its programming decisions. This provides a more coherent basis for an assessment of CIDA's relationship with the Non-Profit Sector. It also offers a timely focus for this study, since the framework documents produced by CIDA attempt to articulate the programming priorities and practices which will be of particular interest to JICA.

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<sup>34</sup> See discussion in A Time to Build Up, p. 10.

## SECTION B

### CIDA AND THE NON PROFIT SECTOR, PROFILES AND PROGRAMMES

#### B1 THE ROLE OF CIDA'S CANADIAN PARTNERSHIP BRANCH

As noted above, from the beginning, CIDA's approach to the Non-Profit Sector has been to provide incentives, through co-financing and cost-sharing, to a growing range of organizations outside government and the private sector to participate in the Canadian ODA programme. Thus, CIDA's 1975 Strategy Paper, Strategy for International Development and Cooperation, 1975-1980, stated that "CIDA's programme will be organized in a way that will support, strengthen and intensify the widest possible participation of all sectors of the Canadian community." The extraordinary success of the programme is attested to by the number and range of organizations currently participating in the Canadian ODA programme, unmatched among DAC members.

It must be noted, from the beginning, that within the Non-Profit Sector it has been the conventional NGOs which have led the way in setting the pattern for the relationship with government in international development activities. As other types of organizations were brought into the "CIDA family", so a plethora of funding regimes and cost-sharing formulas was adopted. For the NGOs alone, there exist a variety of cost-sharing formulas, with different financial frameworks applying to different kinds and sizes of organizations. Beyond this, for any individual NGO there has evolved a range of additional opportunities to obtain CIDA funding over and above the money available from the mainstream NGO programme funds.

The former Special Programmes Branch, and NGO Division within it, were formed in 1968 and special Treasury Board authority was obtained to allow for the channelling of funds to the NGOs. In 1978, within the same branch, the Educational Institutions Programme was established, with funding for university linkage projects. In 1980, both the Association of Universities and Colleges of Canada (AUCC) and the Association of Community Colleges (ACCC) formed international development units, with CIDA support. A small programme of funding for community college international projects followed. Within CIDA, the Special Programmes Branch was reorganized, with the Institutional Cooperation and Development Services Division (ICDS) set alongside NGO Division. The programme of dedicated funding for university linkages was strengthened and expanded. The small group of NGOs engaged in sending volunteers overseas, along with the cooperatives and other specialized non-government agencies, were transferred to ICDS. A small programme, Management for Change, was also created in the 1980s, with funding for management training to be undertaken through the Canadian Non-Profit Sector.

Other programmes followed for professional associations and municipalities. This set of programmes has now been restructured as a programme of Governance, managed by the International Non-Government Organizations Division. This division was initially formed in 1970, and later became a separate directorate within the branch.

In 1994, Canadian Partnership Branch is organized in the following way. In the table which follows, allocations, by division, for the 1993/94 budget year are also indicated.

Organization and Funding Allocations Within Canadian Partnerships Branch<sup>35</sup>

Programme Divisions	Principal Partners	1993/94 ODA Budget (\$ millions)
Industrial Cooperation (INC)	Canadian private sector	75
Institutional Cooperation and Development Services (ICDS)	Canadian educational institutions, co-ops, volunteer sending agencies, labour unions	102
Non-governmental Organizations (NGO)	All NGOs	114
International NGO and Governance Programme (INGO)	International NGOs, municipalities, professional associations	29
Policy, Strategic Planning and Operations (PSPO)	N/A	N/A
(Other Funds)	N/A	13
	Total	\$333 millions

Funds provided by the branch are disbursed under three separate Treasury Board authorities (funding regimes), one for NGO/ICDS; a second for INC and a third for INGO. This provides for varied funding and accountability frameworks, according to the characteristics of the types of partnership organizations supported in each case.

The mandate of the branch, which "manages the Canadian interface of CIDA's ODA partnership programme" is: "to promote mutually beneficial partnerships for sustainable development in developing countries"<sup>36</sup>. Funding is intended to be Responsive to the development initiatives of Canadian and international partners, and to emphasize the collaboration between Canada and developing country counterparts. The branch has a special responsibility, exercised on behalf of the Agency as a whole, to facilitate Canadian Participation in the ODA programme. A cost-sharing approach is employed as a means to "emphasize ownership of development initiatives by

<sup>35</sup> CPB Briefing Book, p. 21; the budget figures are preliminary.

<sup>36</sup> ibid.



partners.<sup>37</sup> Increasingly, there is an effort to move away from assessment of individual projects towards support for broad-based programmes, including a range of projects and other activities, to be carried out by partner organizations over a period of 3 to 5 years.

In theory, the balance of responsibilities between CIDA and its partners is carefully specified. In practice, as will be discussed later, maintaining this distinction has proved more problematic. Grants and contributions are provided to Canadian partner organizations to support programmes and projects developed and managed by them; the ownership of these activities rests with the partners. CIDA accountability focuses on its assessment of:

1. The eligibility of organizations to receive financial support from the ODA programme;
2. Continuing assessment (and low-key monitoring) of the financial, managerial and technical capacities of the partner organizations.<sup>38</sup>

Once an institution receives support, its progress, projects and programmes may be monitored and evaluated on a regular basis. The extent to which this actually happens varies considerably.<sup>39</sup>

## B2 OTHER FUNDING WINDOWS

### B2(i) Overview

In addition to the funding made available through the Canadian Partnership Branch, the organizations constituting the Non-Profit Sector have also been in a position to work directly with the Bilateral branches, principally through the mechanism known as Country Focus. A further source of funds has been the allocation of an element of the Multilateral Food Aid programme budget for distribution through NGOs. The role of NGOs in coordination and provision of relief to refugees and displaced persons is well-known through their visibility in the world's crisis spots. CIDA's International Humanitarian Assistance Programme (part of the Multilateral Programmes Branch) has made increasing use of Canadian NGO channels for distribution of its funds in recent years.

For NGOs, in addition to programme and project funds available through the core programme in partnerships, there is also the opportunity to access allocations from a number of special funds and "Coalition Programmes", set up for special thematic purposes, or with a particular geographic focus. Some of these funds are managed and financed by Partnerships Branch, others are maintained by the Bilateral branches. From 1984-85 to 1986-87, core funding from NGO

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<sup>37</sup> ibid.

<sup>38</sup> ibid.

<sup>39</sup> NGO Program Evaluation, pp. 15-16

Division accounted for an estimated 67 per cent of CIDA's financial flows to NGOs. For the fiscal years 1987-88 to 1989-90, the percentage fell to an average of 47 per cent, indicating the importance of other funding opportunities to the NGO community.<sup>40</sup>

**CIDA Funding For Canadian NGOs' Development Projects and Programmes Outside NGO Division - 1982-1991 (\$)**

Year/CIDA Sources	NGO Consortia/ Coalitions	Country Focus (1)	Food Aid (2)	IHA*	TOTAL
1984-85 (3)	1,464,408	36,980,187		3,165,000	41,609,595
1985-86	1,459,535	12,544,755		1,905,760	15,910,050
1986-87	3,500,656	45,992,551		2,736,625	52,229,832
1987-88	12,581,356	79,863,216	23,500,000	8,626,792	124,571,364
1988-89	27,290,273	41,874,299	23,500,000	11,594,127	104,258,699
1989-90	20,874,618	68,519,572	23,500,000	11,163,376	124,057,566
1990-91 (4)	16,358,819	19,675,000	23,500,000	25,397,420	84,931,239
<b>TOTAL</b>	<b>83,529,665</b>	<b>305,449,580</b>	<b>94,000,000</b>	<b>64,589,100</b>	<b>547,568,345</b>

Sources: CIDA Corporate Memory; NGO Division, Consortia & Bilateral financial records.

1. Approved budgets.
2. For each year total = \$16 M. for Canadian Food Grains Bank (a church-supported NGO), 6.5 M for NGO regular programme, 1 M. for emergency aid.
3. Country Focus figures for 1984-85 include years 1982-83 and 1983-84.
4. Country Focus approved budget up to February 1991.

\* International Humanitarian Assistance  
From NGO Programme Evaluation, 1992, p. 24.

**B2(ii) Country Focus**

Initially, in the early 1980s, "Country Focus" was one dimension of a broader approach to what later became known within CIDA as "Integrated Country Programming." The intention behind the initiative promoted by Marcel Massé in his first Presidency of CIDA from 1981 to 1983, was to bring together all branches and all elements of CIDA programming within a common framework of objectives. It was also a means to expand the options available to country programmes, enabling them to go beyond the large-scale, capital-intensive projects typical of the time, which CIDA administered directly.<sup>41</sup>

<sup>40</sup> NGO Program Evaluation, p. 25.

<sup>41</sup> Bridges of Hope, p. 59, reporting on meeting between Marcel Massé and NGO representatives in February 1982.

With the President's departure to take on other responsibilities, the initiative lost its momentum. Instead, Country Focus was converted into a mechanism whereby country programmes could access the Non-Profit Sector without going through a lengthy competitive bidding process to select the implementing agency for a project.

At a time of severe constraint on CIDA administrative resources, and in context of a strict accountability regime, Country Focus was a boon to harassed desk officers. By proposing to "sole-source" a project to a non-profit organization, a desk officer would avoid the lengthy contracting and consultant selection process. More positively, it was also a means of moving quickly in the new directions favoured by senior management and the professional advisors. The early Country Focus projects were more likely than other Bilateral programmes to deal with issues around poverty alleviation and the targeting of aid initiatives on specific populations. Through the Country Focus mechanism, it has also been possible to involve the Canadian Executing Agency (CEA) in all phases of project-building and implementation - considered particularly important in institutional strengthening and other forms of HRD work. The first project of this kind was approved in 1980-81. In 1987-88, the total number of new projects approved in the fiscal year had reached 89. By 1989-90, Country Focus project disbursements accounted for \$126.8 million, approximately 20 per cent of all Bilateral expenditures.<sup>42</sup> According to CIDA sources, this figure had approximately doubled by 1992-93.

Initially, the mechanism was operated in close coordination between the Bilateral branches and Special Programmes Branch (SPB), as it then was. The first Canada-China University Linkages Programme was planned and managed cooperatively between the two branches. Over time, the popularity of the mechanism with the Bilateral branches tested the limits of SPB's highly-limited capacity to provide support and advice. Hence the role of the branch of providing input on the capacity of the Non-Profit Sector, and in sharing managerial responsibility ended. However, many of the methods and approaches of SPB were adopted - if on a rather ad hoc basis - in Country Focus programming.

The mechanism offered the opportunity for creativity and experimentation not possible through the conventional contracting route. Country Focus projects were substantially larger than any funded under the responsive programme mode, and the financial terms and conditions were far more attractive to participating organizations.<sup>43</sup>

Non-Profit Sector institutions initially were expected to demonstrate their commitment to making a cash or in-kind contribution to the project, but it was based on a much more favourable formula than typically applied in SPB. Subsequently, this requirement has fallen into disuse. Thus many Non-Profit Sector organizations have become dependent on income from Country Focus projects to cover their core costs. With a rather dramatic reduction in project funds in the early 1990s,

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<sup>42</sup> Based on the author's Human Resource Development In the Aid Process: A Study In Organizational Learning and Change. Ottawa: North-South Institute, 1993, pp. 19-20.

<sup>43</sup> Bridges of Hope, pp. 59-60.

as a result of serious budget cuts to CIDA, there were major difficulties for a number of organizations dependent on this kind of funding.

After an initial scattering of projects, there developed a trend for concentration of Country Focus Projects to take place, with a rather small number of large organizations and institutions receiving the bulk of the available funds. This was partly a matter of administrative convenience, as CIDA country programmes and Project Team Leaders (PTLs) found it efficient to bundle what might have been several projects into what was effectively a large 5-year programme. In Indonesia, there were a number of projects of this kind operating by the mid-1980s, with budgets of between \$25 and \$30 million each, all managed by Canadian universities. Organizations also developed a track record in the years following the introduction of Country Focus, and CIDA desks were more inclined to select those which had developed a positive reputation.

In the 12 fiscal years from 1982-83 to 1993-94, the following were the largest of the "Non-Profit Contractors", as measured by the total funds obtained through Country Focus.<sup>44</sup>

CIDA's Major Non-Profit Contractors, 1982-1994

<u>Name of Organization</u>	<u>CIDA Classification</u>	<u>Total Funds Received (\$millions)</u>
WUSC	Volunteer-sending Agency/Development Services Agency	\$79
CARE Canada	NGO	\$59
ACCC	Umbrella Organization for Community Colleges (EIP)	\$54.5
Dalhousie University	University (EIP)	\$46
CECI	Volunteer-sending Agency/Development Services Agency	\$45.7
Canadian Hunger Foundation	NGO	\$35.7
CUSO	Volunteer-sending Agency/Development Services Agency	\$30.5
The Aga Khan Foundation of Canada	NGO	\$26.9
SOCEBVI	Cooperative	\$25.8
AUCC	Umbrella Organization for Universities (EIP)	\$24.3

A further partial trend apparent by the later 1980s was a move away from projects initiated by partner institutions and brought to CIDA for approval, as a tendency emerged for CIDA to conceive or adapt a project to fit its broader purposes. Hence the distinction between Country Focus Projects and Bilateral Contracts became less clear. However, there remain many Country Focus projects which are as "responsive" in character as any funded through Canadian Partnerships Branch.

<sup>44</sup> Based on data supplied by Corporate Memory.

A number of organizations from the Non-Profit Sector, particularly NGOs, have obtained Bilateral Services Contracts, where the organization is asked to act as manager of a programme, planned and directed by CIDA. There has been a tendency for the number of opportunities for such activities to decline in more recent years, partly as a result of pressure from the private sector regarding what they view as unfair competition. NGOs are still favoured for such contracts in areas involving grass-roots and community development programmes.

### B2(iii) Thematic Funds: Partnership Branch

One way in which CIDA has sought to channel and direct its responsive programming for NGOs has been through the establishment of specific pools of funds, set aside to support specific thematic activities, focused on a particular region or country, or emphasizing particular forms of activity.<sup>45</sup> Many of these are administered by Partnerships Branch, from its overall funding allocation, and several of these are managed on its behalf by The Canadian Council of International Cooperation (CCIC), the umbrella organization for Canada's Development NGOs. Among the earliest established and largest of these are the South-Asia Partnership (SAP) and The Reconstruction and Rehabilitation Fund, both dating back to 1981.<sup>46</sup>

The South-Asia Partnership, with CIDA funding amounting to \$2.9 million in 1993-94, has 16 member organizations in Canada, each being represented on its Board of Directors. There is also a smaller Executive Committee. There are national SAP councils in each of the South-Asian countries. Projects are identified by SAP's field offices, working with local NGOs and the relevant national council, and partnerships are arranged with the Canadian member NGOs.<sup>47</sup> Canadian NGOs associated with the programme are expected to contribute 25 per cent of costs from their own funds.

The Reconstruction and Rehabilitation Fund, with \$2.7 million in CIDA Partnership funds for 1993-94, provides assistance to local communities around the world in seeking to sustain development efforts in circumstances of natural and man-made disasters.<sup>48</sup> Project grants are provided to NGOs on a 3:1 matching basis. NGOs nominate members to a review committee, which is appointed by the CCIC board. In addition to supporting projects, the fund provides training to NGOs in post-disaster assistance and conducts evaluations.<sup>49</sup> CIDA's Bilateral branches and the International Humanitarian Assistance Programme-Multilateral Programmes Branch also channel money to NGOs through the fund.

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<sup>45</sup> OECD, p.6.

<sup>46</sup> CCIC Annual Report, 1991-92.

<sup>47</sup> South Asia Partnership brochure, not dated.

<sup>48</sup> CCIC Annual Report, 1991-92

<sup>49</sup> OECD, p.7.

Another major fund is Partnership Africa-Canada established in 1988. CIDA provided \$75 million in funding to the fund for the period 1988-1993. Until recently, it was part of the Canadian Council for International Cooperation. It is now a separate, legally-established NGO. The partnership makes funds available to Canadian NGOs for African programming on a 3:1 matching basis. It is governed by a board, elected by 150 member NGOs, and recently African NGO representatives have participated in the annual assembly.<sup>50</sup> CIDA is represented on the Board.

#### B2(iv) NGO Coalition Programmes

From the late 1970s onwards, CIDA Bilateral branches were able to utilize "Mission-Administered Funds", now known as Canada Funds, to provide support to small-scale initiatives by local NGOs. Such funds represent a pool of money, to be disbursed in relatively small quantities at the discretion of the CIDA Country Mission, in consultation with the Head of Post. Such funds quickly became popular, with CIDA, and with the members of the diplomatic services, who viewed them as an excellent, low-cost tool for Canada's public relations, and with recipient governments and organizations.

On the basis of this experience, the Bilateral branches introduced a variety of funding mechanisms, allowing them to deal directly with local NGOs. Several "micro-réalisation" programmes were introduced in West Africa. At the same time, Asia Branch established the Local Development Assistance programme in Thailand (1983) and the Negros Rehabilitation and Development Fund in the Philippines in 1986, shortly following the assumption of power of the Aquino Government.<sup>51</sup> These programmes involved direct funding by the Bilateral programmes to recipient country NGOs. CIDA Bilateral programmes have also provided large sums in direct funding to major individual NGOs in Asia, notably the Grameen Bank and Proshika Kendra in Bangladesh, which received, respectively, \$10.2 and \$15.9 million in CIDA funds between 1982-83 and 1993-94.<sup>52</sup>

During the same period, other programmes were developed, more on the lines of the South-Asia Partnership and Partnership Africa-Canada model, facilitating partnerships between Canadian NGOs and overseas partners. These included the Solidarité Canada-Sahel Project (initiated in 1985), the Philippines Development Assistance Programme (PDAP) in 1986, followed later by a second project in the Philippines (the Philippines-Canada Human Resource Development Programme), the Haiti Fund for Quebec NGOs in 1987, and the Sri Lanka-Canada Development

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<sup>50</sup> Ibid., and CCIC Annual Report, p. 16.

<sup>51</sup> Mind If I Cut In?, p. 39.

<sup>52</sup> Corporate Memory.

Fund in 1988.<sup>53</sup> There is also the Indonesia-Canada Forum, established more recently and administered through an Indonesian Foundation (YAPIKA), set up jointly by Indonesian and Canadian NGOs. CIDA has made available \$5 million in funding for a 5-year period.<sup>54</sup>

The coalition initiatives have provided a mechanism through which CIDA may promote the involvement of Canadian NGOs in "target countries and regions". The funding arrangements and formulas are normally far more attractive than those which apply to core funds provided through Partnerships Branch.<sup>55</sup>

A recent evaluation of the NGO Coalitions, commissioned by CIDA, offers a generally-positive view of this set of initiatives.<sup>56</sup> The report notes that the coalitions have often advanced efforts in the countries concerned to improve the quality of the development effort. They are also helpful for CIDA in providing the opportunity for dialogue on country-wide or region-wide issues, and for dealing centrally with CIDA-NGO relations.

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<sup>53</sup> Mind If I Cut In?, p. 41.

<sup>54</sup> OECD, p. 14.

<sup>55</sup> OECD, p. 12.

<sup>56</sup> A Study of Canadian Coalitions of Non-Governmental Organizations, prepared by Michel Rousseau and Carol Sissons, commissioned by CIDA and coordinated by CCIC, March 1992.

### B3 PROFILES OF PARTNERSHIP ORGANIZATIONS: PART ONE

#### B3(i) The NGOs: A Profile

In legal terms all NGOs are "voluntary organizations", registered and regulated under Part 2 of the Canada Corporations Act, administered by the Department of Consumer and Corporate Affairs. As voluntary organizations, NGOs may also apply for charitable status through the Department of Revenue, and most do so. This allows for the issuing of tax receipts to individual donors, such that some tax relief is received for donations. Seventeen per cent applies to the first \$250 in donations, and 29 per cent to contributions above this figure, to a maximum of 20 per cent of net income.<sup>57</sup>

Despite the common legal basis for the organizations included in this sector, there are enormous variations among NGOs. As noted above, several Canadian NGOs came in to being initially as relief or welfare organizations, as part of an effort to provide a humanitarian response to disaster and distress in the developing world. Others emerged in the 1960s and 1970s, specifically as development agencies. These were often founded by returning volunteers, who saw that support to long-term development required more than relief and welfare. A number of the larger Canadian NGOs, such as OXFAM, CARE, WUSC, World Vision, or Save the Children, began as local branches of international NGOs. Today, most have achieved sufficient autonomy to determine their own policies and fund-raising priorities.<sup>58</sup> A few, like WUSC, have only minimal links to their original "parent" organizations.

The Canadian Christian churches have a long tradition of "mission" work overseas. Today, there is, in many cases (though not all), a clear separation between missionary and development work. The development arms of mainstream churches, including the Anglican and United Churches, and the range of Catholic development organizations, play a major role in the Canadian NGO community. Particularly notable is the role of the Mennonite Church -- which raises very large sums of money from church members and other private donors, and which has been prepared to support work in countries such as Vietnam, many years in advance of the Canadian government's establishing formal diplomatic relations. The Aga Khan Foundation of Canada is closely linked to the Ismaili Muslim community, and has become a leader in international work in the local development field, most notably in the Muslim states.

Today some 72 per cent of Canadian NGOs are secular, with 13 per cent religious but non-denominational, and 14 per cent linked to a specific church. The role of religious-based NGOs is particularly important in Quebec.<sup>59</sup>

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<sup>57</sup> OECD, p.3.

<sup>58</sup> see discussion in NGO Program Evaluation, p. 11.

<sup>59</sup> Bridges of Hope, p. 10.



Part of the rationale for Canadian government support of NGO programmes has been a recognition of the value of having a variety of viewpoints and sectors of society represented in the ODA programme. There is an extremely wide range of organizations within the NGO development community. Differences within that community are substantial, whether measured in terms of size, fund-raising capacity, location, area of principal geographical interest and expertise, political/religious perspective, or sector focus.

Two informed observers of the Canadian NGO scene have suggested that Canadian NGOs may be classified in accordance with their primary forms of operation in the following way:

1. Fund-raising branches of international organizations, with charitable operations in Third World countries;
2. Fund-raising and directly operational agencies;
3. Non-profit development agencies, with minimal fund-raising activities;
4. Fund-raising agencies that assist overseas "partner" NGOs with specific activities and with their capacity-building.<sup>60</sup>

The broad categories of programmes overseas in which Canadian NGOs are engaged can be summarized thus:

- emergency relief;
- personal charitable activities (i.e. "foster parent" schemes);
- welfare projects and programmes (material assistance);
- placement of Canadians overseas;
- development projects and programmes.

In addition, a number of NGOs are involved in development education activities in Canada, aimed at building public awareness of international development issues. Such efforts are often linked to fund-raising. Some Canadian NGOs are engaged in lobbying and advocacy efforts directed at influencing Canadian government policies.

It generally appears to be the case that the "branch plant" agencies are those which are least likely to engage in political work. UNICEF Canada, which operates as an NGO, has refused to join the Canadian Council for International Cooperation, since it argues that any advocacy work is unacceptable. Such agencies, for the most part, have no operational capacity overseas and are thus not closely in touch with conditions in the field.<sup>61</sup> By contrast, NGOs working closely with partner organizations overseas are very likely to take on an advocacy role with regard to policy issues, where Canadian policy is perceived to be in opposition to the interests and needs of developing country populations.

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<sup>60</sup> Tim Brodhead and Cranford Pratt, "CIDA and NGOs", in C. Pratt, Ed., Canadian Development Assistance: A Contemporary Appraisal.

<sup>61</sup> ibid.

The large "Non-Profit Development Agencies" (Type 3, above), which lack a substantial fund-raising capacity, are likely to restrict their efforts at influencing Canadian policy to a behind-the-scenes role. They are highly dependent on CIDA funding support and view themselves as professional partners of the government.

There has been conflict on several occasions among organizations of this type and other NGOs over the virtues of being involved, or holding back from involvement, in situations where cooperation with what is perceived to be a repressive government is required. The "Branch Plant" organizations have also been criticized, by other NGOs, on occasion, for their failure to undertake careful analysis of political conditions in the field, or to listen to leading local NGOs, prior to beginning operations.

The most significant survey of Canadian NGOs took place in 1988 under the auspices of the North-South Institute (NSI), a respected, Ottawa-based "policy think tank". The NSI study was undertaken by Tim Brodhead, formerly Director of the Canadian Council for International Cooperation, now Director of Programmes at the Bronfman Foundation in Montreal, and Brent Herbert-Copley.<sup>62</sup> In their substantial profile of the Canadian NGO community, they noted that, in terms of operating budgets, organizations ranged in size from the Christian Farmers Federation of Alberta and Comite Solidarité Tiers Monde, which each had budgets significantly less than \$50,000, to the largest, World Vision of Canada, which had an operating budget of more than \$25 million.<sup>63</sup> Today there are even smaller NGOs. In 1990-91, the Jewish Association for Development reported income of \$18,964.<sup>64</sup>

In 1990-91, World Vision Canada -- which uses extensive television, print and direct mail advertising -- reported that it had raised \$64.5 million from public donations, along with \$8.2 million from CIDA. It had a professional staff in Canada of 312 people.<sup>65</sup> Plan Canada (formerly Foster Parents Plan of Canada) had 60 staff in Canada and (through the parent organization) 6,864 staff overseas. It raised \$33.5 million from donations and received \$5.3 million from CIDA in 1990-91.<sup>66</sup>

Among the church organizations, the Canadian Catholic Organization for Development and Peace, the Roman Catholic Church's official development arm, with offices in Toronto and Montreal, has a full-time staff of 75. In 1990-91, it raised \$9.2 million in public donations, and received

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<sup>62</sup> Bridges of Hope.

<sup>63</sup> ibid., p. 8. The discussion which follows is based on the Bridges of Hope study, augmented by information from the CCIC "I.D. Profile", a handbook which includes profiles of 113 member organizations (1992 Edition). Further data is derived from The NGO Program Evaluation.

<sup>64</sup> I.D. Profile.

<sup>65</sup> I.D. Profile, p. 156.

<sup>66</sup> I.D. Profile.

a similar sum from CIDA. The United Church of Canada presents a different profile. It has 20 staff in Canada and 70 overseas. In 1991, it raised \$9 million in donations from its members, but received only \$1 million from CIDA -- an indication of the independent line it has chosen to follow.

The Mennonite Church, through two organizations, the Mennonite Central Committee (MCC) and the Mennonite Economic Development Association (MEDA), had 61 staff in Canada, and 120 staff and 150 volunteers overseas. The MCC has branch offices in BC, Alberta, Saskatchewan and Ontario. The two organizations, taken together, raised \$13.2 million from the public and received \$9.5 million from CIDA, with a further \$270,000 from other government sources in 1990-91.<sup>67</sup>

For organizations with substantial involvement in the CIDA Bilateral programme, the revenue and staffing profile is rather different. CARE Canada has 60 staff in Canada and 54 overseas. In 1991, it raised \$5 million in donations from the public, but received \$22.7 million from CIDA and \$18.78 million from other official government and international sources. CARE is an example of an organization which has been transformed from a conventional fund-raising NGO into essentially a non-profit development agency, where fund-raising activities have diminished in importance over the years.

Most of the large national NGOs are based in Ontario, but the greatest concentration of local and regional NGOs is in Quebec and the Prairie provinces, both of which have a long-established tradition of voluntary action.<sup>68</sup> As to the overseas focus of activity, initially there was a heavy concentration on Asia, Latin America and the Caribbean. The trend over the years has been for NGOs to follow CIDA's own changing pattern of distribution of resources, with greater attention to Africa, primarily at the expense of Asia.<sup>69</sup> The proximity of the Caribbean and the Americas is an important factor in maintaining a high profile for Canadian NGOs in the region.

Over the years, there has been a shift away from an exclusive emphasis on welfare and relief activities to an effort to grapple with far more fundamental issues of poverty alleviation and development. Most Canadian NGOs continue to focus their efforts on community development approaches, concentrating on helping people to build their own capacities and thus move towards enhanced self-sufficiency. The emphasis has been on providing support to specific "target groups", such as women or the landless. The move away from relief and welfare and towards a development approach coincided with an emphasis on projects and, in most cases, increasing dependency on CIDA funds, as activities became more complex and ambitious in character.<sup>70</sup>

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<sup>67</sup> I.D. Profile.

<sup>68</sup> Bridges of Hope, p. 12.

<sup>69</sup> see data presented in Bridges of Hope, Table 2-1.

<sup>70</sup> NGO Program Evaluation, pp. 11-12.

In recent years, there has been considerable discussion within the NGO community, and in dialogue with CIDA, over the desirability of moving away from fragmented approaches, where each NGO deals separately with its partner communities, to a more global and "strategic" approach. The development of country-related or thematic NGO consortia, a number of them initiated by CIDA, has been an expression and means of encouraging this trend. As NGOs move in this direction -- and only a few have done so in any significant way so far -- they are more likely to recognize the constraints to development at the institutional or policy level.

The activity mix reported in the Bridges of Hope study was as follows:

Distribution of Overseas Activities of Canadian NGOs  
(Based on a survey, with responses from 129 NGOs)<sup>71</sup>

Type of Activity	Allocation of Funds by Percentage
Relief and Emergency Assistance	10.5%
Material Assistance	8.0%
Child and Family Sponsorship	9.3%
Placements of Canadians Overseas	12.6%
Development Projects	58.9%

It is probably the case that the percentage allocated to the placement of Canadians overseas has declined in recent years, as the requirements of overseas partners have changed and as the capacity of developing country NGOs has improved.

One particularly important point to emphasize in understanding the role of Canadian NGOs is that directly operational activities by Canadian NGOs represent only a small part of NGO overseas work. Some Canadian NGOs work through international affiliates, while many others channel funds directly to indigenous NGOs. Largely through the experience of their role in the Bilateral programme, a number of organizations have strengthened their own operational capacity. CIDA has also put pressure on international affiliates, such as CARE Canada, to increase their planning and monitoring capacity. Today CARE Canada has been given the responsibility within the CARE international group as "lead agency" in a number of the countries in which it operates, including Indonesia.<sup>72</sup>

The NGO community grew dramatically in size between 1960 and 1980. According to the North-South Institute (NSI) study, of the 127 organizations included in the survey which provided

<sup>71</sup> Bridges of Hope, p. 14.

<sup>72</sup> ibid., p. 17.

the relevant information, only 25 were operational in 1960. By 1970, the figure had increased to 49, by 1980 to 107, and by 1985 to 127.<sup>73</sup> It appears that, while numbers have continued to increase in subsequent years, the rate of growth has declined.

For the agencies in the sample, the overall in-Canada staff size increased from 6 to 11 full-time personnel from 1975 to 1984. For 1985, the NSI study calculated that Canadian NGOs employed 2,400 staff in Canada, with perhaps another 500 overseas. Only about 15 of the 100 agencies in the sample with overseas projects had their own field staff, with responsibilities for project identification and monitoring. In addition, there were some 5,000 volunteer "cooperants" working overseas on assignment, along with 3,000 church missionaries engaged primarily in development work, and 550 young people on overseas exchange programmes. Finally, in the survey each agency identified, on average, 135 volunteers in Canada supporting its work. Thus the NSI study calculated that between 35,000 and 40,000 individuals were involved directly in the work of the Canadian NGO community. This does not include private donors or the members of churches and other membership associations, such as the YM-YWCA.<sup>74</sup>

The central element in the functioning of the Canadian NGO community, and particularly in its relations with CIDA, is the Canadian Council for International Cooperation (CCIC), based in Ottawa, as are most of the major national NGOs. CCIC is an umbrella council of some 130 Canadian NGOs, ranging from small development education or "learner" centres to large institutions.<sup>75</sup> The organization describes itself as "a coalition of Canadian voluntary organizations which are committed to achieving global development in a peaceful and healthy environment, with social justice, human dignity and participation for all."<sup>76</sup> The affairs of the Council are directed by a 21-member board, which is composed in such a way as to provide for representation from all regions of the country, as well as for large, medium and small NGOs. Provincial councils exist in Quebec, Ontario and all three Prairie provinces, as well as in British Columbia. Some of the councils receive funds from provincial governments.

The mandate of CCIC has changed and broadened over the years. Its principal activities focus on services to members. These include training, representation and defence of NGO interests, the sharing of information, and the promotion of information-sharing among NGOs.<sup>77</sup> In more recent years, it has taken on a clearer "policy role", seeking to promote not only NGO interests, but the articulation of an NGO perspective on significant development issues as well as on developments in Canadian ODA and foreign policy. Its representatives are involved in all major consultative activities regarding Canadian ODA. The communications unit coordinates national advocacy campaigns and produces material for the electronic and print media. The organization has developed a sophisticated capacity to secure press interest in areas of priority concern.

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<sup>73</sup> ibid., p. 21.

<sup>74</sup> ibid.

<sup>75</sup> OECD, p.2.

<sup>76</sup> The Critical 90s.

<sup>77</sup> Bridges of Hope, p. 19; OECD, p. 2.

CCIC has a core budget of approximately \$1.19 million, of which CIDA contributes some \$800,000. The balance derives principally from membership fees.<sup>78</sup> In addition, the organization also administers a number of special programmes on behalf of CIDA. In some years, it has received as much as \$40 million in funds channelled from CIDA for a variety of purposes.<sup>79</sup>

The Council has a strong presence in the Canadian development community, and is often the focus of policy-related and advocacy activities for a broader range of organizations than its members. Organizations such as the Association of Universities and Colleges of Canada, the Canadian Labour Congress and the Canadian Cooperative Association, as well as the major volunteer-sending organizations, all of which relate to CIDA through the ICDS division, are also members of CCIC.

Within the NGO community, there are a number of other formal and less formal groupings. The Christian Churches are viewed by CIDA as a distinct community, and relations with them managed as such. Recently the Agency has begun a formal process of annual consultations with the church groups. There is also an Association of Learner Centres, and an informal umbrella group, the International Development Executives Association (IDEA), which is essentially a grouping of the executive directors of 23 of the largest NGOs, most of which might be regarded as non-profit development agencies, and which have a substantial interest in the CIDA Bilateral programme. Taken together, the organizations have combined budgets of some \$300 million; all but eight of the 23 are members of CCIC.<sup>80</sup>

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<sup>78</sup> CCIC Annual Report.

<sup>79</sup> OECD, p. 2.

<sup>80</sup> OECD, p. 3.

### B3(ii) CIDA's NGO Division and the NGO Programme

Funding, as with the other elements of CIDA, is based on an annual allocation from the Agency's overall budget, which is approved by Cabinet and announced in the annual estimates to Parliament. The Treasury Board authority for the programme stipulates that CIDA contributions to NGOs must be limited to supporting programmes in recipient countries, and in supporting programming organizations which qualify.<sup>81</sup> To be eligible, an organization must be legally incorporated in Canada and accountable to a Canadian board of directors. It must also be non-governmental, and clearly non-profit in its orientation to the financing of activities. NGOs must provide CIDA with audited financial statements on an annual basis. CIDA must also be permitted to examine financial records and accounts, as required.<sup>82</sup>

There are three principal forms of funding<sup>83</sup>:

1. Project Funding, through which CIDA provides up to 75 per cent of an NGO's total project costs on a 3:1 matching basis. In 1991, 30 per cent of NGOs received 17 per cent of the overall funds made available to the NGO programme through this mechanism. The strategy of NGO division in recent years has been to move established and proven NGOs from this category of funding to programme funding.
2. Programme Funding, provides a mechanism whereby CIDA may provide support to an NGO's overall programme, or major components of its programme. For larger organizations, such funding is provided on a comprehensive basis, where support is offered in support of the whole programme, with funding on a 1:1 basis. Particular components of the programme may still have funding matched on a 3:1 basis. In 1991, 78 per cent of all the funds available through the NGO programme were allocated through this mechanism, with 23 per cent of NGOs receiving programme funding.
3. Decentralized funds: This is a mechanism whereby CIDA delegates responsibility for fund management through contracts with external agencies, with separate funds for the Prairie provinces, Ontario and Quebec. Funding allocations to individual NGOs are limited to a maximum of approximately \$250,000, and are made available to small or new NGOs. Over time, individual NGOs may "graduate" to project funding, and, eventually, programme funding. The decentralized funds account for a full 41 per cent of all NGOs supported by NGO division, but only 5 per cent of programme funds.

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<sup>81</sup> NGO Program Evaluation, p. 17.

<sup>82</sup> OECD, p. 3.

<sup>83</sup> NGO Program Evaluation, pp. 17-20.

Aside from the specialized funds described in Section B2 above, CIDA's Partnership Branch has also made available three other regular funding opportunities. First, there is the Public Participation Programme. This offers support to both NGOs and NGIs, which organize programmes aimed at increasing awareness among Canadians concerning development issues. Support may be provided for conferences, workshops, the development of reference centres, and the production of educational materials and films.<sup>84</sup> Generally, contributions are relatively modest in scale.

Secondly, there is the Youth Initiatives Programme, which supports educational and other programmes for young people. Finally, the Management for Change Programme provides support for NGOs and NGIs for activities in the field of "practical management". For the 1994-95 funding cycle, these funds are to be blended into regular grant programmes.<sup>85</sup>

The NGO Division is organized in a pragmatic manner, in order to divide the workload among 3 major programming sections, each of which has responsibility for one major set (or assortment) of clients. One deals with the (anglophone) church-related NGOs; a second handles the larger anglophone secular organizations; and the third manages relations with smaller NGOs, the decentralized funds and francophone NGOs.

In addition, each section has the responsibility for cooperating with one of the three Bilateral branches and for maintaining a general watching brief on NGO activities in the region concerned. Each programme officer is assigned responsibility for a "portfolio" of NGOs, and, in addition, has a role in monitoring activities in one or two countries. This geographic role is essential in order to enable the NGO Division to liaise with the Bilateral country desks.<sup>86</sup>

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<sup>84</sup> CPB Briefing Book, p. 63.

<sup>85</sup> Based on OECD, p.6.

<sup>86</sup> Based on information provided to the author by officials of NGO Division, March 1994.



Principal Funding Allocations From the NGO Programme Budget, 1992-93<sup>87</sup>

For the fiscal 1992-93, the largest allocations from the NGO Division budget were as follows:

Organization	Allocations	Comments/Background
1. CCIC	\$23.41 million	Based in Ottawa, CCIC is a coalition of some 130 Canadian NGOs and NGLs committed to global development. Its budget includes money allocated for 8 specialized funds managed for CIDA. It has 33 staff at its Ottawa HQ.
2. Canadian Catholic Organization for Development and Peace	\$8.92 million	Supports socio-economic development projects submitted by local churches, community organizations and social action groups.
3. PLAN (Poster Parents Plan of Canada)	\$4.0 million	A Canadian fund-raising arm of an international organization.
4. Canadian Organization for Development through Education (CODE)	\$3.71 million	The organization supports literacy and related publishing activities overseas. It provides books, HRD/training funds and materials for publishing in the literacy field.
5. CARE Canada	\$3.52 million	The Canadian arm of an international agency, with significant authority in planning and project delivery.
6. South Asia Partnership (SAP)	\$3.4 millions	A NGO "coalition" project, supported by 23 NGOs in Canada and South Asia. Its secretariat is based in Ottawa, with local offices in South Asia. CIDA provides special funds to the SAP programme.
7. The Mennonite Central Committee	\$3.31 million	See text for discussion

<sup>87</sup> Based on information included in I.D. Profile, financial data supplied by Corporate Memory, and author's first-hand knowledge.

8. UNICEF Canada	\$3.11 million	A fund-raising and advocacy branch of UNICEF. It functions as an NGO. CPB funding is entirely separate from Multilateral Programmes Branch allocations to the core UNICEF programme.
9. Foundation for International Training	\$2.59 million	FIT is a Canada-based INGO. Funds through NGO Division are supplied for the organization's role in managing "decentralized funds" for Ontario NGOs.
10. Canadian Lutheran World Relief	\$2.4 million	A church-supported group, based in Winnipeg; it is engaged in community development work and refugee relief and resettlement.
11. Aga Khan Foundation of Canada	\$2.29 million	The foundation has 11 staff in Canada and 6 overseas. It is part of an international network of development agencies established by the Aga Khan and the Ismaili Muslim community. Projects at present are restricted to South Asia and East Africa, where the Ismailis have strong roots.
12. Save the Children Canada	\$2.27 million	The Agency has 22 staff in Canada, 9 overseas. It is a branch of an international agency, which, like CARE, has developed increasing autonomy and project identification/delivery capacity in recent decades. Save the Children Canada focuses its work on 9 core countries in Africa and the Americas.

There are no restrictions on the sectors of activity in which NGOs work. However, at the time of establishment of NGO Division, a listing of priority sectors of activity was compiled where NGO programming submissions would be welcomed:

- Community development;
- Food production, forestry and social forestry;
- Education and skills training;
- Population and health;
- Clean water and sanitation;
- Environmental protection and renewal;
- Development of management/organization skills;
- Development of credit/savings schemes, cooperatives, small business;
- Appropriate technology, especially in the energy field;
- Rehabilitation and reconstruction;
- Housing;
- Applied research.

At the same time, NGO Division has indicated a willingness to fund well-planned approaches in other fields, consistent with a desire to support NGO innovativeness.<sup>88</sup>

Such guidelines are not mandatory, in that responsiveness to NGOs and their constituencies has remained paramount as a prime objective of the NGO Programme. In recent years, this has led to criticism (see NGO Division Evaluation) that the programme has become too scattered, and that it thus fails to encourage focus and attention to issues related to optimizing development impact.

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<sup>88</sup> NGO Program Evaluation.

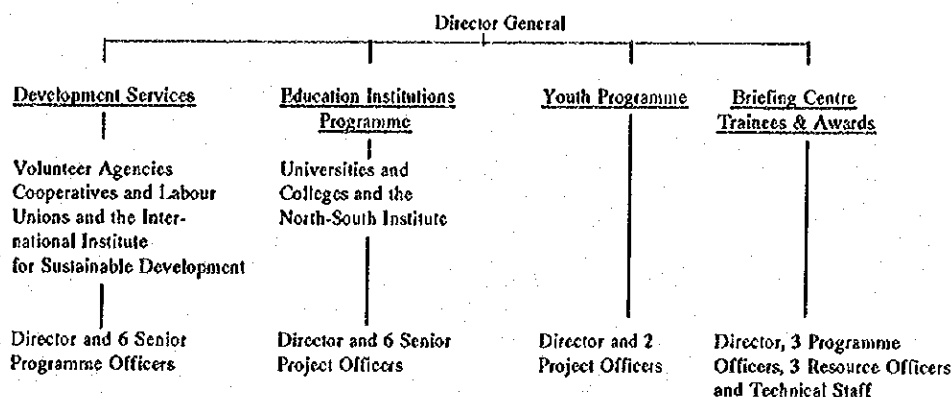
## B4 PROFILES OF PARTNERSHIP ORGANIZATIONS: PART TWO

### B4(i) Overview: The NGOs and Institutional Cooperation and Development Services Division

The NGO Division was established with the creation of CIDA in 1968. A broader-based Special Programmes Branch (SPB) was established in 1978, taking in the NGO Division and adding the Educational Institutions Programme. In 1980, the Institutional Cooperation and Development Services Division (ICDS) was formed within the branch, in parallel with NGO Division. At the same time, a number of additional programmes - for the colleges, the cooperatives, and Management for Change - were added. Responsibility for other types of organizations, including youth exchange programmes and the volunteer agencies, was transferred from NGO Division. Today, as the Branch Briefing Book suggests, ICDS deals with "specialized not-for-profit organizations active in international development".<sup>89</sup>

Part of the logic for the formation of this division was to bring together those partner organizations engaged specifically in the transfer of knowledge and HRD/Institutional development. Certainly, the growth of ICDS has coincided with the growing importance assigned to HRD and institutional development within CIDA as a major foundation of development cooperation during the 1980s.<sup>90</sup> Surprisingly, more recent annual reports (1989-90 and 1990-91) make no reference to any rationale for the programme. This draws attention to the other foundation for the Division: administrative convenience and a distribution of the workload within SPB and later Partnerships Branch.

ICDS Division is organized as follows:



<sup>89</sup> p.71.

<sup>90</sup> For discussion, see the author's HRD in the Aid Process; for ICDS, see relevant entries in the CIDA Annual Reports, 1986-87 (p.78), and 1987-88 (pp. 81-82).

The common feature of the programmes for which funding is provided through the Development Services, Cooperatives and Labour Unions Section is that activities involve the sending of Canadian personnel abroad (long-term volunteers and short-term technical specialists/advisors, and young people on short-term exchanges.) In practice, many of the organizations are engaged in a far broader range of services and activities than those for which they are, in theory, funded.

Many of the organizations supported, in all of the sub-groups handled by this Section, are also involved in broader-based programmes of institutional support. It is within this group that most of the large non-profit development services agencies can be located. They are among the largest of the "non-profit contractors" working with CIDA's Bilateral branches, and, in some cases, with other international funding agencies. Many of them have an international profile.

#### B4(ii) The Cooperatives

Cooperatives in Canada have a special place in the history of the economic and social development of the country. The cooperative model has proven effective in developing community solutions to common problems. Thus it is particularly appropriate that this approach, also exemplified in the credit union movement, be supported by the Canadian ODA Programme.

The Canadian cooperative movement became involved in post-war relief work in Europe in the 1940s, and from the 1950s onwards became involved in providing technical support to the formation of counterpart organizations in the developing world. CIDA funding facilitated the strengthening of international departments within the major national cooperative associations in the 1970s. The cooperatives have also established a charitable foundation, the Cooperative Development Foundation of Canada, to which individuals may make donations.<sup>91</sup>

The bulk of CIDA's support for this sector is funnelled through the 3 largest organizations, one a "national association", the Canadian Cooperative Association (CCA), covering anglophone Canada, and two others, Societe de développement internationale desjardins (SPID) and La Societe de Coopération pour le développement nationale (SOCEDEVI), from Quebec.<sup>92</sup> As with other sectors currently supported by CPB, the cooperatives have established a presence in all parts of the developing world. Forms of support focus on all elements necessary in the establishment and strengthening of cooperatives and credit associations, along with special studies, training and education and support in developing capacities in national and international trade.<sup>93</sup> Funding provided to the 3 major organizations by ICDS in 1992-93 totalled slightly less than \$12.5 million.<sup>94</sup>

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<sup>91</sup> Canada Cooperative Association, briefing documents.

<sup>92</sup> CPB Briefing Book, p. 72.

<sup>93</sup> CCA documents.

<sup>94</sup> CIDA Corporate Memory data.

#### B4(iii) The Volunteer Sending Agencies (VSAs)

Within this group are found 4 of the largest and most prominent "players" in the Canadian Non-Profit Sector. They are CECI (Centre d'études et de coopération internationale), CUSO (Canadian University Services Overseas), OCSD (Organization Canadienne pour la Solidarité et le Développement) and WUSC (World University Services of Canada). It should be noted that the titles of the organizations reflect their respective origins, and have less relevance today. Neither CUSO nor WUSC have formal links to universities.

A number of smaller organizations are also supported. The most important of these is CESO, Canadian Executive Services Overseas. This organization is particularly favoured by CIDA for its professionalism and consistent high standards. Its core role is to match retired professionals and business managers with the needs of overseas organizations and associations for technical advice and support. It has also succeeded in obtaining the services, on a voluntary basis, of many who are well below retirement age, as a means of responding to particular problems identified.

CIDA support for the volunteer organizations is based on a formula according to the number of placements overseas. In recent years, the numbers of placements have fallen, as the needs overseas have become more specific, and as there is an increasing tendency to question the relevance of young volunteers, lacking technical skills and organizational experience: hence the growing importance of CESO. The profile of the typical Canadian overseas volunteer has changed substantially, however, in recent years. Today the volunteer is more likely to be an experienced technician than an untrained teacher.

While there has been success in adapting to changing needs, the declining demand for young adults has a long-term effect on the Canadian ODA programme. There is no longer the opportunity for young people, with a serious interest in a career in international development, to gain sustained overseas experience in a working situation. Changes in the volunteer programme have therefore cut off an important source of highly-motivated recruits to the range of organizations within the development community.

Altogether the total number of individuals placed overseas on an annual basis adds up to 2,000. Of these, around 1,000 are volunteers on longer-term assignments (1-3 years), and around 250 are retired professionals and business managers supported by CESO, with the remainder young people on short-term exchanges of a few months duration. The largest of the youth exchange associations are Canada World Youth (CWY) and Canada Crossroads International (CCI). All of the organizations mentioned see themselves as part of, or associated with, the broader Canadian NGO community.

One of the advantages enjoyed by the VSAs, which has contributed to their ability to broaden their international development role, has been the existence of overseas field and regional offices, supported, in large part, by CIDA funds. Together, the VSAs operate some 55 of these offices. It is their field presence and overseas experience which has given them the credibility to expand into a broader set of international activities.

There is a relatively even spread of organizations and the volunteers that they place in the Asia Pacific region; East, Central and Southern Africa; West Africa; and Latin America/the Caribbean. The particular importance of West Africa attests to the prominence and perceived strength of Quebec-based francophone agencies in this element of the Non-Profit Sector. Areas of activity parallel those for the NGOs, but particularly prominent are formal and non-formal education and literacy training; agriculture and renewable resources; health; and management and business.

Volunteer activities are planned within project and programme planning frameworks. Field officers identify partners and projects that match the objectives and criteria of their organizations. Beyond this, they have to ensure that the needs identified fit the characteristics of the Canadian "supply" of volunteers.<sup>95</sup>

The CIDA approach to volunteer sending differs from that adopted by Japan and the United States, but is similar to that of the UK, in that the strategy has favoured a contracting out of responsibility for planning and overseas delivery to the Non-Profit Sector. Thus CIDA has utilized its funding to nurture the growth of competent and specialized NGOs, with a strong overseas base and operational capacity. In this sense, they represent an important, though unofficial, extension of the presence of the Government of Canada -- although they are all independent agencies. CIDA and the Ministry of Foreign Affairs appear to have ambivalent views of the implications of this situation.

The current CIDA policy -- though not formally stated as such -- is to reduce (probably by freezing funds or by small decreases from year to year) the overall level of funding to the VSAs, especially to the 4 large agencies. Over time, the proportion of ICDS funds assigned to VSAs is declining as compared with the funds assigned to the Cooperatives and the Educational Institutions. Both the agencies and CIDA have expressed concern about the dependency of the organizations on CIDA funding, particularly as a result of the bankruptcy of WUSC in 1990, one of the four VSAs, and largest of the "non-profit contractors" engaged in work with the Bilateral branches. The case of WUSC will be examined in more detail later in the report.

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<sup>95</sup> CIDA Evaluation of the Volunteer-Sending Program, Evaluation Abstract, January 1993, p.1.

In the most recent fiscal years, CIDA allocations to the major agencies mentioned above have been as follows:

Allocations to Volunteer Sending Agencies  
and Youth Exchange Organizations, From Fiscal Year 1989-90 to 1992-93<sup>96</sup>  
(Allocations by Fiscal Year in Millions of Dollars)

Name of Organization	1989-90	1990-91	1991-92	1992-93
i) VSAs				
CUSO	18.07	16.6	19.08	19.24
CECI	9.70	7.21	10.86	7.08
OCSO	6.3	5.47	6.15	4.25
WUSC	5.61	5.01	8.15	5.28
CESO	3.59	4.41	3.53	2.65
ii) Exchange Organizations				
CCI	2.71	1.78	2.52	1.53
CWY	10.16	10.02	6.68	8.56
Totals	\$56.14	\$50.50	\$56.97	\$48.59

A brief profile of two of the largest and best-known VSAs will offer a better idea of the character of the organizations and of the range of activities in which they are engaged. The first, the Centre Canadien D'études et de Coopération Internationale (CECI), was founded in 1958, and acquired status as a non-profit organization 10 years later. With a 1992-93 budget of \$26.1 million, it is one of Canada's leading development services organizations. Based in Montreal, it has a staff of 50 at its headquarters and at its second Canadian office in Quebec City. CECI also has 35 staff overseas and a total of 250 volunteer placements. It has 13 overseas offices, mostly in francophone countries, with a primary concentration in West Africa and a secondary focus in Central America and Haiti. Sixty per cent of placements in 1992-93 were in Africa.<sup>97</sup>

<sup>96</sup> Source: CIDA Annual Reports and Corporate Memory data (1992-93)

<sup>97</sup> ID Profile and CECI Annual Report, 1992-93.



CIDA contributions to CECI for 1992-93 totalled \$15.4 million, or 59 per cent of total funds received, down 5.75 per cent from 1992. This reduction has forced CECI to make across-the-board cuts to its programmes. No longer simply a volunteer-sending agency, and highly pragmatic and non-ideological in its approach, CECI is confident of continued CIDA support. A recent CIDA-commissioned evaluation by a private consulting firm states, that: "CECI is one of the best organizations evaluated," and recommends that CIDA and CECI "explore ways by which their partnership in development can be enlarged." CIDA officers have commented on the professionalism of the organization and its managerial competence.

The goals of CECI are "to contribute to the advancement of people in the Third World through human resources and funding; and to promote international development that is sustainable and involves local participation." There are four substantive areas of activity in which CECI claims to have developed significant expertise: grass-roots development; training and human resource development; organizational development; and women and development.<sup>98</sup>

Of its 1992-93 income from CIDA, noted above, only \$7.1 millions derives from its volunteer placement programme. The balance is accounted for by CECI's role as Canadian executing agency for a variety of Bilateral programmes, principally in francophone countries. CECI is developing an important profile as a leader in projects in the strengthening of civil society and democracy. It is currently developing a new project for CIDA in Haiti on these lines, under rather difficult circumstances. It is also the implementing agency which has been selected for the new West Africa Fund for Democratization and Human Rights.

The largest and probably the best-known of the volunteer agencies -- perhaps the best-known of all Canadian NGOs and non-profit organizations -- is CUSO (originally the Canadian University Services Organization). CUSO has enjoyed close -- but often strained -- relations with CIDA since the early days, with many prominent CIDA managers having "graduated" from CUSO overseas programmes. Founded in 1962 as a pure volunteer organization, paralleling the British VSO or the American Peace Corps, CUSO has evolved and continued to change over the years since its founding. Partly because of its size and its ambitions, perhaps more than other NGOs, its directions have been influenced by the impact of successive waves of new thinking in the development community and more generally in the world of community-based social movements across Canada and the western world.

Unlike CECI, CUSO has maintained a more political and engaged view of development, and has attempted to absorb important elements of development thinking, such as participatory approaches to decision-making and women's empowerment, into its own management and operating structures. CUSO is well-known for its extensive debates among staff and at the board level. For CUSO, defining its own identity and purpose has always been a central foundation to its activities. Consequently, there has been tension in relations with CIDA, a highly bureaucratic and process-driven organization. It is the differences in organizational culture, which, more than anything else, account for the "love-hate" relationship between the two organizations.

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<sup>98</sup> Eric Steedman, Report on the Quebec NGO Scene, January 1994, short study commissioned for this project.

Along with the other VSAs, and the major NGOs, CUSO grew during the 1970s and 1980s. At one point, it had a staff of some 120. Numbers have now declined to about 90. Through its CIDA-funded programme, CUSO places some 300 volunteers overseas each year. It has 15 regional offices across Canada. Its programming covers an extraordinary range of sectors of development activity, and this has been one of the criticisms made of the Agency -- that it lacks a focused approach, and hence the capacity to build on its strength.

In keeping with its overall management and development philosophy, CUSO has devolved substantial authority to its field staff. This has enabled the organization to build a very strong base of local knowledge. It has also led to difficulties as pressure from CIDA has required increased attention to detailed accountability and more efficient record-keeping, at the same time as declining revenues have obliged CUSO to move towards more streamlined management structures.

Like CECI, CUSO has taken advantage of opportunities to become involved in Country Focus projects with the Bilateral branches. However, this source of funds has diminished. Important CUSO projects in West and Southern Africa were halted as a result of CIDA funding cuts. As of late 1993, only approximately \$2 million of CUSO's overall CIDA income derived from projects with the Bilateral branches. However, CUSO also derives additional revenues from CIDA by providing certain services, including the provision of a health information service, and arranging conferences.<sup>99</sup>

CUSO is recognized for the strength of its contribution to the Canadian "state of the art" in international development. In particular, it has made an impact in encouraging attention to WID/Gender issues and in developing methods for building in approaches to its programming, built on its understanding of these issues. CUSO's reputation as a manager of overseas activities is weaker, and the organization faces a considerable challenge in adapting to CIDA's growing preoccupation with detailed accounting and with a "results" orientation.

CUSO gains visibility because of its political commitment to solidarity with popular organizations in the developing world. However, by failing to emulate the example of CECI in building its managerial and planning capacity, it has also limited its opportunities for becoming a broad-based "development services agency". It is by no means clear that CUSO's organizational culture will permit the agency to move in this direction, nor is it the case that its staff and board would necessarily wish to see such a transformation occur.

To complete the picture provided by this brief set of profiles, it will be useful to add a few comments about the largest of the Youth Exchange agencies, Canada World Youth. Founded by Jacques Hébert, a much-admired Canadian, and close associate of former Prime Minister Trudeau, CWY is based in Montreal and has five offices across the country. It seeks to expose young Canadians, working alongside counterparts in developing countries, to development issues,

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<sup>99</sup> ID Profile.

through their voluntary participation in projects in agriculture, cooperatives and social work. There are, in addition, college exchange programmes with students from Kenya and Jamaica. The programme operates in 13 countries, with a particularly strong presence in the Americas. In 1990-91, it reported raising \$3 million in contributions from the public to balance the \$8.5 million received from CIDA.<sup>100</sup>

#### B4(iv) The Educational Institutions Programme (EIP)<sup>101</sup>

A number of Canadian colleges and universities have histories of involvement with the developing world predating significantly the formation of CIDA. However, it was only in the late 1970s that universities in Canada, as corporate entities, began to reflect seriously on their role in international development.<sup>102</sup>

The EIP programme was first established in 1978, with funds allocated for the support of the university linkages. Two years later, CIDA supported the establishment of the International Development Office (later absorbed in the International Division) of the Association of Universities and Colleges of Canada (AUCC). Similar arrangements were made in setting up the International Bureau of the Association of Community Colleges of Canada (ACCC). It should be noted that there is no national Ministry of Education in Canada. Universities and colleges are supported by provincial Ministries of Education, hence the difficulties presented by national coordination. In this context, the national associations, AUCC and ACCC, take on particular importance. Their respective roles are discussed in more detail below.

Over the years, CIDA has tended to favour the universities over the colleges. The universities have made important contributions to development cooperation programmes. Nevertheless, it is recognized by many observers that the potential of the colleges, with their capacity in tailor-made skills training and strong links to business and industry, has not been fully appreciated by the Agency. The greater visibility, size, independence, political clout and prestige of the universities, along with their history of international involvement, has enabled them to maintain a higher profile with CIDA.

After 1989, resources have been shifted away, to a degree, from the universities and towards the colleges and other programmes in ICDS. The proportion of EIP resources accounted for by the university programme fell off from 56.6 per cent in 1989-90 to 42.8 per cent in 1991-92. No formal policy or rationale has been presented for this shift in resources. Ultimately, it appears to reflect the preferences of the senior officers responsible for the EIP programme and the management of ICDS.

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<sup>100</sup> ibid.

<sup>101</sup> Unless otherwise stated, the information provided in this section draws on the author's experience; and on interviews conducted with CIDA officers and representatives of educational institutions.

<sup>102</sup> see the author's HRD in the Aid Process, p. 19.

Today, the EIP includes the University Cooperation Programme and the College Program Development Fund. It also takes in the University-Initiated Scholarship Fund, as well as funding for the university Centres of Excellence Programme. The Annual EIP budget for 1991-92 was \$30 million, as compared with \$67 million for the Development Services, Cooperatives, Unions and Professional Associations section. In 1990-91, 162 university linkages, 111 college linkage programmes, 15 university scholarship programmes and 6 centres of excellence were supported by the programme. The two major programmes, the university and college cooperation programmes, account for two thirds of all funds disbursed.<sup>103</sup>

The tendency in the last three years has been to reduce the number of projects, thus allowing for larger allocations to projects continuing over a longer period of implementation. For 1991-92, \$13.1 million was allocated to the university cooperation programme and \$7.1 million to the college cooperation programme.

In terms of its rationale, the EIP programme cannot be viewed as contributing to poverty alleviation, the government's stated priority for the ODA programme. Thus it is viewed sceptically by many, particularly in the NGO community, who see it as "elitist", and as draining off resources which might otherwise go to community development work (and hence to the NGOs). However, the programme is seen as a strong arm of support for capacity-building, human resource development, and, particularly, building linkages and partnerships between Canadian institutions and those in the developing world. As the corporate evaluation of the EIP programme (1992) noted, "Canadian universities and colleges have demonstrated their capacity to act as the appropriate vehicles for identifying, developing and implementing projects supporting higher educational institutions."<sup>104</sup>

The stated objectives (1990) for the programme are:

- To support Canadian educational institutions in their efforts to assist their counterparts in developing countries to contribute more effectively to their countries' high priority development needs;
- To encourage the development and transfer of knowledge and experience from Canadian educational institutions for the benefit of developing country institutions;
- To encourage two-way partnerships between Canadian educational institutions and developing country institutions.<sup>105</sup>

Although certain institutions in the developing world, particularly those in Francophone Africa or Asia, may receive funds for linkages and technical support from other Bilateral donors

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<sup>103</sup> Evaluation of the Educational Institutions Program, Volume 1, Main Report, Prepared by Goss Gilroy Associates Ltd for Audit and Evaluation Division, CIDA, January 1992.

<sup>104</sup> ibid.

<sup>105</sup> ibid. p. 26.

(notably from the US and France), in many cases, Canadian funding for linkages represents the only significant external funds available to assist local institutions to achieve their objectives. This is of particular importance, as many donor organizations are now devoting increasing resources to primary, secondary and non-formal education, and thus allocating less to higher education.

EIP projects are viewed by CIDA as "responsive projects", and as "owned" by the partner institutions in Canada and overseas. Thus Bilateral branches and Canadian embassies tend to pay little attention to these programmes (this is not the case with bilaterally-funded linkage projects, such as those in Thailand, China or India). However, the projects often have a rather high profile in developing countries, because of the prestige, at a local and national level, of the institutions involved. EIP projects are often viewed in the recipient country in the same way as any other Bilateral project, and thus as a government-to-government commitment.<sup>106</sup>

Partner countries, at both institutional and governmental level, are often puzzled by the apparent lack of interest and involvement in EIP projects of CIDA and diplomatic staff at the post overseas. EIP, like the rest of CPB, has no presence or visibility in the field.

#### The University Programme

The funding to universities is handled in a quite different way than is the case with the other elements of ICDS programming. From the beginning, resources have been allocated on a competitive basis, with decisions made by a Selection Committee, whose members are nominated by CIDA and AUCC. To a degree, this procedure reflects that which is normal for the award of grants for scientific research in the academic community. To date, allocations have been provided on an annual basis, with individual institutions normally submitting proposals for projects of up to 5 years duration (in earlier years, 3 years was the maximum allowed).

Although such projects must be supported by the institution as a whole, with the signature from a representative of senior university academic management on the application forms, projects are essentially the product of relations between individual professors, a department or faculty of a university and counterparts overseas. Universities are independent institutions, and traditions of academic freedom make it difficult -- and undesirable -- for university administrations to give directions to academic staff on matters relating to academic and research activities.

International development activities are viewed as an extension of academic research and community service. For a faculty member to engage in such activity is a voluntary matter, so long as broad professional responsibilities are met. Further, the key priority of a university is not Overseas Development Assistance, but the promotion of teaching, research and public service. International development activity is supported mainly where it is perceived to relate to these

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<sup>106</sup> Ibid.

central goals.<sup>107</sup> The interest of universities in international development is necessarily qualified by other priorities and obligations. Further, universities -- like NGOs, and probably more so -- are unwilling to view themselves as agencies of CIDA or Canadian government policy.

CIDA has experienced real difficulties in coming to terms with the organizational culture, institutional objectives, and academic and research mandate, of universities. In particular, it has often pressed university presidents and vice-presidents to indicate an institutional commitment to projects proposed by their institutions. For universities, as might be expected, given their institutional values, this has proved difficult, since it is problematic for a president or vice-president to be seen to favour an initiative presented by one faculty or school/department as opposed to another. Many larger institutions may have presented a long list of projects for CIDA consideration. Normally, in presenting such a list, the institution has restricted itself to indicating that it has reviewed the proposal and that the provisions for in-kind contributions of staff time and facilities, and the allowance for overheads indicated, are appropriate and realistic.

More recently, CIDA has introduced the requirement that only two projects may be put forward for consideration by any one institution in a given year. This has obliged institutional management, despite the difficulties entailed, to introduce some form of internal selection process, and has resulted in a more central role for the International Liaison Officers appointed by each institution.

The Association of Universities and Colleges of Canada (AUCC) and its Institutional Division, which receives between \$800,000 and \$1 million in core funding annually from CIDA, plays an important role in negotiating changes to the programme with CIDA. It also performs an important function in ensuring that university concerns -- at Presidential, International Liaison Officer and project manager level -- are made known to CIDA. Beyond this, it also facilitates and influences communications from CIDA to its member institutions.

The association has 89 institutional members. It has a staffing complement of 89, with 15.6 person years assigned to the International Division (September 1993).<sup>108</sup>

Given the jealously-guarded autonomy of universities, and the tendency for university presidents, powerful figures with considerable prominence in their communities, to regard AUCC as a "president's club" rather than a representative association, the International Division has had to perform a careful balancing role in acting as an intermediary between its members and CIDA. Over the years, CIDA has pressed AUCC to take on a far stronger managerial role, enabling CIDA to devolve some of its administrative responsibilities. For the most part, AUCC and its members have tended to resist these pressures. It is very probable that this has been one factor which has influenced CIDA's pattern of allocation decisions in recent years, and which accounts for the universities' declining share of ICDS funds.

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<sup>107</sup> Institutional Evaluation of the AUCC, prepared by International Briefing Associates for CIDA Partnership Branch, September 1993, p. 42.

<sup>108</sup> ibid, p. 89.

For university projects, there is a maximum budget of \$1 million over 5 years. This allows for an average annual budget of \$200,000. Allowable expenditures include direct personnel costs (only for that portion of time given to project management and activities); a contribution to administrative overheads in accordance with a negotiated formula applicable to all approved projects; student and trainee costs; travel costs; and some equipment and material costs.

The CIDA EIP section coordinates arrangements for the Selection Committee, handles the call for project submissions, prepares for the Selection Committee the briefing kit and information dossiers on project proposals and projects, and forwards the committee's recommendations to the Minister for subsequent approval.

The dossiers prepared for each project include: commentary on project submissions from the relevant CIDA country desk (Bilateral); CIDA and embassy staff in the recipient country; professional resource officers; and EIP staff. Such comments are often quite detailed, but uneven in scope, depth, coverage, knowledge and understanding. The members of the Selection Committee are asked to rank proposals on a score sheet. This has enabled EIP to encourage selectors to take a systematic approach. It has also enabled CIDA to introduce its own concerns (as it also does in setting out priorities and criteria in the submission documents distributed to universities), thus limiting to a degree the responsive nature of the programme, and providing an opening for CIDA to take a pro-active role. Once approved, detailed agreements for the funding of projects are negotiated directly between CIDA and the institution submitting the project proposal.

Major changes have been introduced for the 1994-95 selection process as a result of extensive discussions and consultations among CIDA, AUCC and universities and their representatives.<sup>109</sup> The new programme, University Partnership in Cooperation and Development (UPCD) has a more highly specified objective than its predecessor, though its thrust is similar to that which has traditionally obtained: "the programme seeks to increase, in a sustainable manner, the capacity of the developing countries to educate and train the human resources required to meet their priority development needs"<sup>110</sup>

In parallel with the approach adopted in NGO Division, the new programme brings together into one envelope funds previously assigned to the University Linkage Programme, the Centres of Excellence, as well as a proportion of funds disbursed under the Public Participation Programme, Youth Initiatives and Management for Change programmes. For 1994-95, it is anticipated that the allocation for the envelope will be \$26 million.<sup>111</sup>

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<sup>109</sup> AUCC, University Partnerships in Cooperation and Development: A New CIDA Program, August 1993.

<sup>110</sup> ibid.

<sup>111</sup> ibid.

Also in line with current trends in NGO Division, the new approach will move towards institutional or grant funding of institutions, rather than selection of individual projects. Under the currently prevailing set of arrangements, there have been no funding allocations to institutions, as such, in the core university linkage programme. Rather, the value of funding allocations to individual institutions, as recorded in CIDA's annual reports, represents the sum of the annual budgets of all currently funded projects, where each project has been selected through competition with others put forward by the same institution and by other universities across the country.

The exception to this project-based approach to the funding of university activities in international development is the Centres of Excellence Programme. Developed as a result of an initial recommendation included in the Winegard Report of 1987, and a subsequent commitment in Sharing Our Future, the Centres of Excellence Programme was planned in 1988-89 as a means to promote collaboration among institutions, teachers and trainers in areas relevant to development priorities in the developing world. This was not the original intention of the Winegard Committee, which proposed the extension of CIDA support to facilitate the strengthening of a development studies capacity in Canadian universities.

While the results of the programme, launched in 1990, may not have been bad, they show evidence of the lack of careful planning and the absence of the focus that Winegard had in mind, which would have enabled the universities to fill a badly-needed gap within the institutional capacity of Canada's "international development community". Perhaps, once more, it shows a serious lack of understanding of universities and their capabilities and character on the part of CIDA.<sup>112</sup>

Funds to a total value of \$34 million have been provided to support centres at six universities during the period 1990-96. Any further funding will be allocated only in the context of the new university programme, with the selection process to take place in 1994-95. Support under the Centres of Excellence Programme is essentially a grant to an institution of \$5-6 million, enabling it to build up its capacity and networks through international programmes over a 5-6 year period. In practice, some of the centres are heavily research-oriented, while others are entirely engaged in on-the-ground activities.

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<sup>112</sup> Author's interviews with many of the principals involved in the programme, inside and outside CIDA, conducted for other research purposes.



The six Centres of Excellence are as follows:

Centres of Excellence Programme

Organization	Area of Specialization	Duration of Agreement	Total Budget
1. Institut national de recherche scientifique (Québec)	Urbanization	1990-96	\$6.0 million
2. Queen's University (Ontario)	Rehabilitation Therapy	1991-96	\$5.5 million
3. University of British Columbia (B.C.)	Human Settlements	1991-96	\$5.8 million
4. University of Calgary (Alberta)	Canada-Asia Partnership (Participatory, community development)	1990-95	\$6.0 million
5. Université de Montréal (Québec)	Economic and Social Policy	1990-96	\$5.6 million
6. York University (Ontario)	Refugee Studies	1991-96	\$5.1 million

Source: EIP Evaluation, 1992, p. 74.

For 1992-93, the universities with the largest total of CIDA EIP funding allocations, including support to the Centres of Excellence, are listed below. It should be noted that of the six institutions, only one, McGill, the largest, has no Centre of Excellence.

The Canadian Universities With Largest Total Funding Allocations  
From the EIP Programme, 1992-93<sup>113</sup>

1. McGill University (with McArthur College, an associated agricultural college) \$2.16 million
2. University of Calgary \$1.63 million
3. York University \$1.49 million
4. University de Montreal \$1.41 million
- 5.(i) Queens University, Ontario \$1.35 million
- (ii) University of British Columbia \$1.35 million

<sup>113</sup> Based on data supplied by Corporate Memory.

In addition to the EIP programme, CIDA's Bilateral branches have developed a number of their own university linkage programmes, utilizing the model and drawing on the experience of the EIP university cooperation programme. Asia Branch, with separate programmes in China and Thailand, and a smaller linkage programme for India, has been the leader in this respect. The Canada-China University Linkages Programme is administered by AUCC, with a total allocation from CIDA of \$19 million over 5 years. Now in its third funding phase, it has represented an important component of the China programme. The trend in the 1990s appears to be for CIDA to blend such programmes with broader approaches to institutional linkages.

CIDA's interface with the universities is not limited to linkage programmes. There is also a very substantial CIDA scholarship programme, and a large proportion of the beneficiaries of these scholarships are hosted by Canadian universities. In the 1991 calendar year, CIDA provided support to more than 20,000 students and trainees, of whom more than 6,000 were receiving training or education in Canada.<sup>114</sup>

Like the VSAs, Canadian universities have become heavily involved in CIDA Bilateral programmes. In the 1993-94 fiscal year, particularly prominent were Dalhousie University in Halifax, with \$6.16 million from CIDA, Simon Fraser University in British Columbia with \$4.7 million, the University of Guelph (\$3.2 million) and McGill University (\$2 million).<sup>115</sup> In 1991-92, AUCC received a total of \$8.3 million in direct and "flow through" revenues from CIDA. More than \$7.3 million of this derived from the management of Bilateral programme activities, particularly the Canada-China Linkages Programme.<sup>116</sup>

Asia Branch has been a major source of funding for these programmes. The Indonesia and Philippines country programmes and the Asia Regional Programme have all made extensive use of the capacity of Canadian universities. In earlier years, the major francophone universities of Quebec were more prominent, with huge institution-building projects, in some cases lasting for decades, in Francophone Africa. The Francophone universities continue to be prominent in projects in Africa and elsewhere, but the "mega-projects" have now come to a close.

Over the years, the trend has been for the Bilateral branches to draw on the universities for their applied research and community service and broader HRD capacities, rather than for conventional university linkage programmes. Much of Dalhousie's international work in Asia is in the field of natural resource management and environmental protection/assessment, with emphasis on building capacities in public agencies as well as in the educational sector. Similarly, Calgary has a particular reputation in community development and participatory development approaches, while Guelph has a well-established reputation in a broad range of fields related to agriculture, regional development and rural planning.

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<sup>114</sup> CIDA Annual Report, 1991-92.

<sup>115</sup> Based on data supplied by Corporate Memory.

<sup>116</sup> Institutional Evaluation of AUCC.

## The Colleges

The CIDA College Cooperation Programme is managed quite differently than that for the universities. This reflects the different nature of the institutions and the strong central, coordinating role of the Association of Community Colleges of Canada (ACCC).

The colleges lack the legal and professional/academic autonomy from government enjoyed by the universities. Thus they have been less concerned than the universities with ceding authority in dealing with CIDA to their national representative organization.

ACCC, which has 160 member institutions, has been contracted by CIDA, through the International Services Bureau, to manage the international development initiatives of its members. Terms and conditions for the Project Development Fund (PDF) are set out in a contributions agreement negotiated between CIDA and ACCC. The ACCC board is legally accountable to CIDA for strategic direction of the PDF and for the agreement under which services are undertaken.<sup>117</sup> It is the organization's secretariat, housed in its International Services Bureau, which is, in turn, accountable to the board for monitoring projects and managing reporting relationships with CIDA.

ACCC is expected to provide its members with assistance in project design, for negotiating agreements with the institutions involved, managing financial control over project funds and monitoring implementation. PDF funds are allocated by CIDA on a 3-year basis, for a maximum value, in each case, of \$250,000. Over the years, ACCC has moved back from playing a central role in initiating projects and identifying the colleges which would implement them to a broader administrative and advisory role. This reflects the development of expertise and interest on the part of the colleges over the years since the programme's inception period. It also reflects the growing desire on the part of the colleges to enjoy greater autonomy in conducting international development activities.

For CIDA, the college programme, with significant managerial and financial administrative responsibility devolved to ACCC, is significantly easier to manage than is the university programme. However, the distance of CIDA EIP officers from direct management of the programme, their limited contact with individual colleges, and lack of knowledge of college projects, has also reduced the opportunity for CIDA to gain a thorough appreciation of the role the colleges may play in international cooperation.

College programme submissions are reviewed by a Project Review Committee which works with a "PDF Evaluation Checklist", setting out priorities and criteria for ranking projects. ACCC works closely with its member institutions throughout the year, advising them on how to fit their proposed initiatives with programme requirements.<sup>118</sup> Recommendations for funding are

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<sup>117</sup> EIP Evaluation, p. 13.

<sup>118</sup> ibid., p. 16.

forwarded to the International Programme Advisory Committee, and then on to the ACCC Board of Directors for final approval. CIDA/ICDS sends approved project proposals to Country Desks, relevant embassies and professional resource officers for comment prior to acceptance.

In addition to the BIP programme, ACCC also manages and disburses funds from the PRIMTAF institutional linkage programme supported through CIDA's Africa Branch, for linkages with institutions in Francophone Africa. The budget estimates for the programme for 1993-94 are \$2.75 million.<sup>119</sup> In the same year, \$774,000 was obtained from the Canada-CARICOM Scholarship Programme, funded by Americas Branch. There is also a Canada-China College Linkage programme, with estimated disbursements of \$2.45 million from the China country programme, which also provided \$2.56 million for a Canada-China WID Programme, linking the colleges with the All-China Women's Federation. The India programme funds an institutional cooperation programme budgeted at \$2.92 million for 1993-94, supporting linkage project involving seven Canadian institutions. A further \$800,000 is provided from the Philippines Non-Formal Education Programme. (ANTEP).<sup>120</sup>

ACCC is a sophisticated organization with a proven capacity for management and administration. Unlike AUCC, it has also been able to take an entrepreneurial role in seeking funds from non-CIDA sources, including the World Bank and regional development banks. It also manages a growing programme of contracts in Eastern and Central Europe and Russia, supported by the Department of Foreign Affairs. Altogether, the organization manages a portfolio of international development contracts valued at in excess of \$100 million.<sup>121</sup>

## B5 THE INTERNATIONAL NGO DIVISION AND THE GOVERNANCE PROGRAMME

### B5(i) The INGO Programme

The INGO Division "supports global networks of national and local NGOs involved in development issues of importance to Canada."<sup>122</sup> Hence there is a tendency to a thematic emphasis in the programme, with particular attention to: human rights and democratization; the environment; population; and women and gender issues. The programme has a reputation in the Agency for pursuing innovative approaches. It is also sometimes viewed as suffering from its convenience as a mechanism through which to provide funding to organizations particularly favoured by the Agency's senior management. Fortunately, this comment is more applicable to the past than to the present.

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<sup>119</sup> ACCC, International Services Bureau, Management Plan, 1993-94.

<sup>120</sup> ibid.

<sup>121</sup> ACCC, International Services Bureau, 5 Year Strategy, March 1993.

<sup>122</sup> CPB Briefing Book, p. 41.

CIDA is one of the few donors to devote systematic attention to INGOs as a group. Today the programme is viewed by CIDA as a "window" to new knowledge in the thematic priority fields to which funds are directed. As the programme documents suggest, "INGOs draw upon a global network of thinkers and doers on key, strategic issues."<sup>123</sup> INGOs supported are regarded as being "on the leading edge of development policy and implementation, setting the world agenda in such areas."<sup>124</sup>

Overall, 30 per cent of the CIDA-funded global INGOs are based in Canada. Among them are Disabled Persons International, the Foundation for International Training, The World Council of Indigenous Peoples, and the International Council for Adult Education. Of all the organizations supported, the largest recipient is the International Planned Parenthood Federation, which received \$6.15 million in 1992. Support for that organization is a core component of CIDA's support to international efforts in population and family planning. The total budget for the INGO programme for 1991-92 was \$33.03 million, similar to the allocation to the EIP programme.<sup>125</sup>

Eligibility requirements for the programme include:

- Clear identification as an international organization, with international membership, management and governing body;
- It must be independent of government and managed on a non-profit basis;
- It must be formally registered in the country which hosts its headquarters;
- Its development objectives must be compatible with CIDA's mission;
- It must have a broad base of financial support and enjoy efficient management.<sup>126</sup>

The programme has stated that preference is given to organizations which focus on areas of activity close to CIDA's priorities, which have strong Canadian linkages, and which have headquarters in Canada.<sup>127</sup>

More recently, the INGO programme has also been a focus in the Agency for exploring ideas of a "global civil society", in which networks of INGOs would play a prominent role. In an interesting article published in the journal of the Society of International Development, Development, in January 1993, "Forum for NGOs, A Proposal", Roger Dumelie, Director of the Division, sets out a thoughtful case for increasing recognition of INGOs as an important non-governmental component, balancing the current government-oriented structure of power in a changing global society.

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<sup>123</sup> INGO Program description, 1993 draft.

<sup>124</sup> ibid.

<sup>125</sup> CIDA Annual Report, 1991-92.

<sup>126</sup> INGO Program description.

<sup>127</sup> ibid.

### B5(ii) The Governance Programme

Of greater direct relevance to the current study is the newly-constructed Governance Programme, which has brought together elements of an existing municipal development programme, the Professional Associations Programme, (previously managed by ICDS), and parts of the Management for Change Programme.<sup>128</sup> The programme is viewed as one expression of the Government of Canada and CIDA commitment to human rights and democratic development as a core element of foreign policy. Interpreting these concerns within a Partnership Branch responsive framework results in a programme goal of encouraging "good governance in developing countries, by supporting on a responsive basis, linkages and partnerships between like-minded groups and organizations in Canada and those countries".<sup>129</sup> The programme's objectives are:

- To enhance good public sector practice and improve the capacity of governments to make effective public policy;
- To improve the efficiency of government service delivery;
- To foster mutually-beneficial linkages between similar organizations in Canada and the developing countries.

Fields of emphasis include: Administrative reform; privatization; enhancement of productivity; policy and legal frameworks; management development; tax administration; customs administration; municipal government (improving technical and administrative capacities). Current priorities include efforts to facilitate government decentralization, and to encourage more accountable and participatory forms of government.<sup>130</sup>

Eligibility is restricted to membership-based organizations, with particular interests and expertise in public administration and governance. Such organizations must be legally incorporated as non-profit entities and have the proven capacity to manage projects and programmes. An objective of programme management, as elsewhere in Partnerships, is to move towards institutional funding (grant funding) with its partners. Generally speaking, partners are expected to contribute 20 per cent of the value of the project, presumably through in-kind contributions.

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<sup>128</sup> CPB Governance Program: Program Policy and Delivery Framework, October 1993.

<sup>129</sup> *ibid.*

<sup>130</sup> *ibid.*

Among the major organizations receiving support from the programme are the following, grouped by the forms of activity in which they are engaged:

Decentralization and Municipal Government

The Federation of Canadian Municipalities  
The Urban Institute of Canada  
The Canadian Institute of Planners (working with the University of British Columbia, Centre for Human Settlements)

Financial Administration

The Canadian Comprehensive Audit Foundation  
The Certified General Accountants of Canada  
The Institute of Public Administration of Canada

Public Sector Capacity Building

The Institute of Public Administration of Canada  
The Manitoba Institute of Management

Taxation and Customs Administration

The Commonwealth Association of Tax Administrators  
The Customs Cooperation Council  
The Canadian Taxation Foundation<sup>131</sup>

The programme represents a mechanism for accessing valuable public sector management and governance experience, without involving the Government of Canada directly. This may facilitate cooperation in areas of a sensitive nature, where it may be regarded as preferable by recipient government organizations for linkages to be handled outside direct government-to-government channels. Much of the Canadian expertise accessible through the programme is focused on areas of priority concern to developing country partners. By emphasizing relatively narrowly-defined technical and professional fields, it may be possible for linkages to provide carefully-planned inputs of external assistance and training, as well as the exchange of ideas, in areas where it can make a difference.

The strategy of working through professional associations and institutes provides for the provision of Canadian expertise rather inexpensively, with a capacity to bring in professional expertise from across the country. There is also the opportunity to bring together those from the governmental, non-profit and private sectors in programme or project teams. The programme is low key, and

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<sup>131</sup> ibid.

has yet to demonstrate its full potential. However, it has many virtues, not the least of which is the ability to address concerns regarding governance and democratization in a highly-practical, non-ideological way.

The most fully-developed component of the programme is the Municipal Development Programme, and particularly the well-established (since 1986) provisions of funding support to the Federation of Canadian Municipalities (FCM).<sup>132</sup> Through the programme, 50 city-to-city linkages have been supported, most (30) involving African municipalities. Many of the linkages involve smaller Canadian cities (ie. Nelson, B.C., with Mutari in Zambia; Duncan, B.C., and Meru, Kenya; and Swift Current, Saskatchewan, with Francistown, Botswana). Of the linkages involving larger cities, those between Calgary and Daqing in China; Montreal and Abidjan; and Toronto and Sao Paulo, are among the most successful. Montreal actually has five active linkage programmes, 3 in West Africa, 1 in Haiti and 1 with Shanghai.<sup>133</sup>

Most linkages emphasize two or three areas of priority. They include such elements as public works management; preventive vehicle maintenance; solid waste disposal, and waste water treatment and facilities design; fire-fighting; financial accounting; computerization; tax systems; the development of women's cooperatives; and transportation and bus systems.

The overall cost to CIDA of the programme is approximately \$3 million per year. Funding for individual linkage projects is on a relatively modest scale, with allocations not likely to exceed \$250,000 over a three-year period. Such linkages are thus comparable in cost to those supported by the College Linkage Programme. The CIDA funds cover direct travel expenses for travel of Canadians overseas and counterparts to Canada, and there is some provision for materials and equipment costs. The municipalities donate the services of their staff. Staff members continue to receive their normal salaries. In an active linkage project, over a 12-month period, perhaps two or three specialists from Canada may undertake short assignments, with perhaps 10 or 12 professional, managerial and technical staff following up a few months later with a visit to Canada for training/professional development and the exchange of ideas with the participating Canadian municipality.

CIDA is now encouraging FCM to move to a "multi-stakeholder" approach, to enable the linkages to go beyond "city hall-to-city hall" partnerships. NGOs, the private sector, universities and colleges could then become involved in those components of a linkage programme where their expertise might be recognized as more relevant than that of the municipal government itself. There are elements of such an approach to be found in a number of current linkages, including those involving Nelson, B.C., Kitchener-Waterloo, Calgary, Toronto and Sherbrooke, Quebec. In at least two cases, involving the western cities of Calgary and Regina, the linkages have facilitated the obtaining of commercial contracts by private companies associated with the linkage projects.<sup>134</sup>

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<sup>132</sup> CPB Municipal Development Program, November 1993 and interview with CPB Officers, also November 1993.

<sup>133</sup> FCM Project Activity List, 1993.

<sup>134</sup> CIDA documents and author's interview, November 1993.



In addition to the municipal development programme, the Federation of Canadian Municipalities also implements the China Coastal Cities Project for the CIDA China Country Programme. The project aims at establishing relations with the Chinese Government's Office of Special Economic Zones. Activities principally involve the provision of specialized courses and training programmes, both in China and Canada. The project is now in its second phase with a current budget of \$8 million. The first phase (\$7 million) was completed in September 1992.<sup>135</sup>

The Federation has an international office with a staff of 12 people. Most of the costs for the office and staffing are covered by CIDA's financial contribution -- perhaps 25 per cent of the \$3 million budget for the programme. The organization has a national board of directors. The international programme is one of four major sectors of activity.

A recent institutional evaluation of FCM, conducted for CIDA, gave a generally positive, but qualified, view of the programme and its management.<sup>136</sup> It suggested that the programme did not receive adequate attention from the governing board of FCM. This is a potential difficulty inherent in all the partnership programmes, where the primary focus of attention for the Canadian partner organization will necessarily be on the domestic scene. The report also noted that the Director of the International Office should be given responsibility for financial and administration aspects of project management. In other words: there should be recognition by the administration of the FCM of the particular needs of the international programme.

Too much attention, the report suggested, was given to programme delivery. What is required to improve the programme is a stronger effort to integrate the programme and give it overall direction. Projects have suffered from weak definition and a lack of attention to sustainability and a longer-term impact. It appears to the author of this report, that for these matters to be addressed will require CIDA to press FCM to perform a stronger role, as well as the development of more detailed project guidelines and clearer expectations regarding the kind of project outputs/results that might be produced. This will presumably lead to support being concentrated on a smaller number of larger projects, perhaps involving groups of municipalities, in line with trends in other programmes in Partnerships Branch.

The Governance Programme, including the Municipal Development Programme, may be of particular interest to JICA. Many of the quasi-governmental organizations linked to Japanese government ministries, such as AOTS and the Japan National Productivity Centre, through their international programmes, cover forms of activity similar to many of those supported under the Governance Programme. Further, the International Associations organized by many Japanese prefectures and municipalities, are very active in establishing linkages and relationships, particularly in Asia. Like Canada, Japan possesses a wealth of knowledge concerning the effective conduct of government and governance at local and regional levels. Already, the

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<sup>135</sup> FCM: International Development Program Profile, CIDA Background to Development Brief, August 1993.

<sup>136</sup> Institutional and Impact Evaluation of FCM International Program, Final Report, CAC International for CPB, September 1993.

Government of Japan is drawing on some of this expertise in its ODA programming in the environmental protection field. The transfer of knowledge and exchange of ideas in the forms supported by the CIDA Governance Programme is likely to be pragmatic in character, and perhaps this enhances the possibilities for effective transfer through long-term partnerships and exchange. Further exploration of the "multi-stakeholder approach", now being pursued in the Municipal Development Programme, might be of considerable interest both to JICA and CIDA.

## SECTION C:

### THE CURRENT SITUATION: THE UNFOLDING OF PROGRAMME REFORM, 1993 - 1995

#### C1 NEW PROGRAMME DEVELOPMENT, CONSULTATIVE PROCESSES AND ALLOCATIONS FRAMEWORKS

In order to avoid repetition, the discussion in this section will focus on areas where there have been the most substantial developments. In C1, particular attention will be given to major developments in the NGO programme and in the University Cooperation Programme.

#### C1(i) Context

Until the mid-1980s, the responsibilities of NGO Division were limited to processing and funding projects put forward by eligible NGOs, and evaluating projects. NGOs, as institutions, were not subject to examination. During the 1980s, CIDA took action in response to pressure from the Auditor-General, the Treasury Board and other parts of government, to strengthen accountability mechanisms. With the publication of Sharing Our Future, the government's ODA strategy, in 1987, there existed a specified government policy framework, to which all parts of the Agency were expected to adjust. While the document strongly endorsed "Partnerships" as a principle, it also called for greater efficiency in programme management and delivery. A special study was undertaken for NGO Division on mechanisms: "To Increase Effectiveness and Efficiency of Its Programme Delivery". The study report (the "Baraka Report"), named after the consulting company which undertook it (Baraka Inc.), was submitted in June 1989. Its recommendations formed the basis for new approaches which have been implemented, or are in the process of implementation.

The most important recommendations emphasized:

- The need to reorganize in order to build a structure capable of establishing an information-and knowledge-base on NGOs;
- Adoption of a new mission statement, emphasizing the role of the Division in facilitating the strengthening of Canadian NGO organizational capabilities;
- The desirability of moving from Project-to-Programme or grant funding;
- The introduction of Decentralized Funds;
- The extensive use of outside consultants to undertake NGO institutional reviews or evaluations.<sup>137</sup>

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<sup>137</sup> As cited in NGO Program Evaluation, pp. 30-40.

The force of the recommendations was reinforced by the proposed directions for administrative change set out in the SECOR study report on CIDA's Strategic Management, released in October 1991. Taken together, the two reports have provided the basis for the reform process undertaken in NGO Division, as well as in ICDS, over the past two years.

These developments, however, have not gone unchallenged by the NGO community. Although most have welcomed the implementation of programme funding, they have seriously questioned the added intrusiveness into their affairs necessitated by the requirements for institutional reviews and financial assessments. They have regarded such moves as contrary to the language and spirit of CIDA documents, which emphasize the importance of respect for the "independence, integrity and personality" of Canadian NGOs. They have also expressed resentment at what is perceived to be an increasing emphasis by CIDA in pressing for congruence between its priorities and those of the NGO community. As CCIC commented in its September 1990 report, Creative Tensions, Canadian NGOs and CIDA: Towards a New Detente, "the funds we access within NGO Division are our funds... allocated to respond solely to the programme priorities of the NGOs, rather than the specific priorities of CIDA and its various country programmes, and the shifting international agenda of the Canadian Government."<sup>138</sup>

Current efforts by NGO Division represent an effort to redefine responsiveness under changed circumstances, and to work out practical measures to enable CIDA to meet what it perceives to be its accountability requirements. The NGO community has been relatively positive in its response to the content of the set of CIDA documents currently under discussion. However, many questions remain to be settled. For NGOs, their much-valued autonomy is still perceived to be at risk.

Complicating the situation is the fact that NGOs appear to have little confidence in the managerial or developmental know-how of the staff of NGO Division. Despite the concern by management that staff focus their efforts on building knowledge and appreciation of the goals and programmes of the NGOs for which they are responsible, there is a lack of confidence by the NGOs in the capacity of the Division's staff. CIDA staff remain preoccupied with the bureaucratic process, and the NGOs doubt that the NGO Division staff can fully comprehend the character and concerns of the organizations with which they are dealing. Hence, they are dubious about the judgements CIDA officers may make of their development priorities. CIDA's partners have also expressed concern at the lack of continuity among staff, with a tendency for regular circulation of personnel within the division from one portfolio to another, and regular movement to and from other parts of the branch and CIDA. Furthermore, many staff in the Division, unlike their counterparts in the Bilateral branches, lack sustained field experience.

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<sup>138</sup> As quoted in ibid., p. 40.

## CI(ii) Examining the Core Documents Setting Up New Programme Directions

As noted above, "Partnership" was identified as a core principle of Canada's development cooperation programme in Sharing Our Future, published in 1987. Yet CIDA has proved unable, in the years following, to define and operationalize the concept. The work produced by Canadian Partnership Branch, to be discussed in the following pages, is the most considered effort to date to spell out in concrete terms what the Agency means by partnership.

In 1993, the Branch produced three major policy papers, designed to provide a basis for a re-casting and clarification of its relations with its partners. The "guiding principles" are stated most clearly in Canadian Partnership Branch: Integrating Change, completed in the late summer of 1993. Apparently a great deal of effort went into the formulation of this document, and it is worth examining it in some detail.

The document sets the role of the branch in the context of the decline across the world in belief in "a providential, all-powerful state, providing citizens with all their needs". It goes on to point to the importance of a "new and complementary partner in development in an emerging, dynamic, enlightened and contentious civil society, defined as all those voluntary associations of people outside the realm of government, but including private enterprise."<sup>139</sup>

The paper suggests that the role of government is now viewed as that of facilitator of a conducive social, economic and political environment, and that development itself is a result of a "co-mingling of public and private initiatives." It also views civil society as the creator of "the values and normative framework for governance and private enterprise." On this basis, donors, it is suggested, now balance their work in HRD and institutional strengthening with government with equivalent attention to the elements of a civil society. The most effective means of doing so, the paper proposes, is to enhance the "strategic linkages and foster the most effective and efficient partnerships between like-minded organizations and people in Northern and Southern civil society". The rhetoric used in the document will by now be familiar to readers of this report, since it has already been reproduced in many of the programme documents discussed above.

Partnerships of the kind discussed are viewed as central to the Government of Canada's international development strategy. "Partnership", the paper argues, "implies collaborative joint action to obtain an agreed upon goal." From CIDA's perspective, success in the achievement of such partnerships, "depends on the extent to which CIDA's partners share with it a similar strategic, catalytic and analytical sense of development." However, a full partnership of equals between CIDA and its Canadian partners is not possible. Shared decision-making, the paper points out, cannot occur given the "different natures, mandates and accountability of governments and civil society." However, it is Canadian civil society and not CIDA which is assigned responsibility for the partnership with the civil society of developing countries.

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<sup>139</sup> p.1.

For its part, CIDA commits itself to a process of Consultation based on shared information and opinion, acceptance of difference in the character of contributions each partner might make, and a recognition of mutual needs and benefits. Such a process has the objective of exploring common ground, understanding the approaches each set of partners brings to the development process, and a "striving for complementarity of policy objectives where appropriate and useful." This last point is given considerable emphasis, for it is noted that with "meaningful and helpful partnership at the policy level, there will follow strengthening of the possibility for partnership at the programming level."

CIDA notes that while partnership does not necessitate complete congruence in views of development, it (ie. the Agency), is "not passive in its selection of partners." The paper suggests that the programme utilizes a rigorous process to eliminate potential partners lacking the competence or capacity to play "a complementary role" in the Agency's development strategies and programming."<sup>140</sup>

Thus, in order to meet its accountability requirements, it must assess the "financial, managerial and technical capacities of its partners." The paper goes on to note that partners will be held accountable by CIDA for the realization of the "anticipated results" of individual projects and programmes.

Beyond assessment of programmes, Institutional Assessments of organizations will involve increased attention to the goals, objectives and strategy of the organizations receiving CIDA support, and an evaluation of the organization's capability to deliver effective development programming.<sup>141</sup> Among the criteria to be used as a basis for determining allocations among organizations seeking CIDA funding, the most important factor will be the organization's Development Performance. Assessment on these lines is regarded as crucial, since it "relates the objectives and performance of individual programmes to CIDA's global priorities and hence is given the most weight."<sup>142</sup> This point clearly suggests a substantial qualification to the principles of "responsiveness", as does a further element listed among evaluation criteria - relevance to "Canadian national priorities" -- although in this case there appears to be a great deal of room for flexibility and interpretation.

Other factors listed are Public Support and Influence, the degree of influence which the partners of each programme have with the Canadian public, and Absorptive Capacity and Potential for Change. A further element of the "Allocations Criteria", listed as second in importance to "Development Performance" is "Leveraging", the degree to which CPB funds attract other funds ("the multiplier effect") and the extent to which funded activities have "a broader developmental impact beyond their immediate target (the ripple effect)."<sup>143</sup>

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<sup>140</sup> p.3.

<sup>141</sup> p. 6.

<sup>142</sup> p.4.

<sup>143</sup> pp. 4-5.

While certain of these elements have raised difficulties for CIDA's partners in the Non-Profit Sector, there has been a positive response to the effort to articulate principles clearly in this fashion, and to the declared objective of employing "more objective and transparent methodologies for determining the eligibility of and allocations among partners."<sup>144</sup>

There is little argument with CIDA's need to introduce some form of performance assessment, emphasizing sustainable development results. At the same time, it is recognized that there will be considerable difficulty in developing fair and effective measures, which will fit the character of the programmes implemented by the broad range of partners supported by CIDA, and which will meet with their agreement.

A critical issue is how detailed will be the expected "complementarity" between CIDA's "global priorities" and those of its partners. If the concern is restricted to a desire to see a demonstrated commitment to sustainable development, appropriate attention to women and gender and environmental issues, and a determination to build long-term partnerships, there will be little friction.

If the expectations extend beyond this, to include the priorities of CIDA's geographic programmes, then there will be real difficulties, especially for the NGOs. Many take pride in their ability to go where the government will not go. Sometimes this has been welcomed by CIDA. On other occasions, it has resulted in conflict and disagreement. Similarly, the document refers to a compatibility of the organization's "development and development education goals, objectives and strategies with .. the Government of Canada's ODA policies." There is no mention of the need to respect the autonomy of NGOs or to recognize their right to take an advocacy role and offer constructive criticism of government policy.

Within the NGO community, there has been concern over CIDA's recent decision to reduce support to - and change the formula for - the Inter-Church Foundation for International Development, following its role in the preparation and publication of Diminishing Our Future, a report strongly critical of Canadian ODA policy. The NGO Division justifies the decision on the basis of its obligation to make tough choices with limited funds. However, whatever the truth of the matter, the suspicion remains that CIDA is increasingly sensitive to criticism of those who would "bite the hand that feeds them."

Other points raised in the paper concerning the desirable qualities for partners which will be considered as appropriate for CIDA support include a strong reference to the importance of a willingness, demonstrated by the partners, to promote international development cooperation and ODA among their membership or constituency in Canada.<sup>145</sup> A capacity to demonstrate performance in this regard will be part of the institutional assessment process.

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<sup>144</sup> p. 5.

<sup>145</sup> p.4.

Considerable attention is given to Cost-Sharing and Commitment, which is also addressed in detail in a parallel document. One of the recommendations stemming from the 1992 corporate evaluation of the five major partnership programmes was the need to re-examine cost-sharing formulas. The paper goes on to examine the rationale for requiring a contribution from partner organizations. The first consideration is Ownership - in order to reinforce, for both CIDA and its partners, the understanding that the programmes and projects belong to the partner organization and not CIDA. This point might be seen as acknowledging the concerns expressed earlier by NGOs and others. It also emphasizes the limitations of CIDA's accountability. Along with ownership goes Commitment, exemplified by willingness by the partner organization to invest its own funds or in-kind resources.

Commitment is coupled with a "demonstration of support from the Canadian public." In the case of NGOs, this may be translated as the support of individual donors and volunteers. For NGOs, what is required is a guarantee of commitment by institutional members and by the senior management and/or boards of governors of the institutions. In the case of major domestic institutions, such as professional associations or universities, this is not always a straight-forward matter.

Finally, in qualifying the set of factors listed above, CIDA goes on to note that a balance must be maintained between the Cost-Sharing Objectives and the Objective of Channelling Funds Through Organizations That Have a Proven Capacity to deliver effective development and development education programmes and projects. In other words, CIDA reserves the right to set aside certain of its criteria, particularly as these relate to cost sharing, in order to give recognition to the strong developmental performance (or relevance) of certain NGOs which have only limited fund-raising capacities. "Some of the best NGOs" the paper notes, "in terms of their developmental impact are not necessarily the best fund-raising organizations."

CIDA has deliberately encouraged the participation in the programme of certain organizations, particularly those with specialized sectoral expertise, which may be difficult to find elsewhere. The steps CIDA has taken in recent years to involve the Canadian environmental NGOs is a case in point. This qualification is a further indication of the practice of balancing "pro-active" and "responsive" elements in CIDA's relations with the Non-Profit Sector.

There remains a paradox at the heart of CIDA's approach to its partners. On the one hand, CIDA indicates that its funding is "simply intended to extend the programming of the partner."<sup>146</sup> Yet, without CIDA funding, a significant number of NGOs would not be involved in overseas activities. CIDA funding - through partnership programmes and through other funding windows - has facilitated the growth of an international capacity on the part of a broad range of partnership organizations and has encouraged the transformation of others from traditional NGOs into non-profit development agencies.

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<sup>146</sup>CPB, Cost-Sharing Policy Framework, draft, May 31, 1993, p.3.



What is at issue here is the necessity to build a professional capacity within the Non-Profit Sector, representing as it does a core component and competency, and not a marginal feature, of Canada's ODA programme. Yet CIDA argues that "Canadian Partnership Branch financial support... is not meant to be a cost-recovery, plus profit, contractual arrangement, but rather an extension of the organization's commitment and contribution."<sup>147</sup>

CPB and its predecessor, SPB, have been rigorous in limiting contributions to overheads through partnership programmes. Yet they have also funded a number of professional positions in the large NGOs, and, most notably, in the major national and umbrella organizations, such as the Association of Universities and Colleges of Canada, the Federation of Municipalities of Canada, the Canadian Council for International Cooperation, or the major cooperatives and volunteer-sending agencies.

The overall situation is by no means as clear cut as CIDA's documents would appear to suggest. The new minimum requirement for all partners is that they should provide in cash or in-kind, at least 20 per cent of the Canadian contribution to the development or the development education activities to be supported (INGOs are excepted from this requirement). However, members of the Non-Profit Sector are past masters at creative accounting, where what might otherwise be considered overheads are transferred to direct costs. Such procedures are often followed in the full, if unofficial knowledge of CIDA, since the Agency informally recognizes - certainly at the officer level - that the provisions for overheads in funding formulae are often unreasonable.

On the other hand, CIDA has been pressing its partners over the years for greater professionalism. It has recognized the importance of institution-building in the Canadian Non-Profit Sector, and it has provided some funding to facilitate this objective, particularly through the strengthening - and in some cases, the establishment - of umbrella organizations for international activities within sectors. Yet the Agency has failed to build into its funding formula a mechanism to support institutional development and real capacity-building of its partners in a coherent way. Consequently, as evaluations have suggested over the years, it is difficult for the Non-Profit Sector - as it is for CIDA itself - to assess and learn from its experience and build on it.

At first glance, CIDA appears among the most generous of donors to the Non-Profit Sector. Yet the pressure is always to push the maximum volume of funding into programmes, without apparently recognizing the reality that improved quality of organizations makes for improved quality of programming. As the name of the programme suggests, The Centres of Excellence Programme for the Universities was intended to build university capacity for work related to the development field. Paradoxically, there was no allowance for administrative overheads in the programme. Thus, at the end of the day, CIDA will, in all probability, have invested in an unsustainable set of initiatives. This is particularly likely to be the case given the pressures on public funding for universities in the 1990s.

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<sup>147</sup> ibid., p. 4.

Prepared at the same time as Implementing Change, the document here reviewed in such detail, was a further paper, entitled Institutional Funding. A draft of this went to CIDA's Executive Committee for consideration earlier this month. After what was reported to have been a confused discussion, the document was sent back for further consideration. Of particular concern was a desire on the part of Executive Committee to re-assert that the Agency "does not provide core funding to its partner organizations."

Whatever the merits of the paper and the arguments presented, the position taken at the Executive Committee indicates again CIDA's hesitancy in recognizing the need for the Non-Profit Sector to strengthen its institutional base. While CIDA's concern is understandable, its method of dealing with the situation is far from helpful.

Perhaps the sector - or that part of it engaged in international development activities - is too large. If this is the case, it is in part the responsibility of CIDA which encouraged so many organizations to become involved in its work. Yet, CIDA enjoys the political benefits of maintaining its present degree of penetration of Canadian civil society through its programming. It also recognizes that the Non-Profit Sector (and its opinion polls confirm this) has a much more credible profile in the eyes of the public than does CIDA and the government. While the present situation certainly represents a dilemma for CIDA, there is a clear need for a coherent policy response, based on consultations, instead of the apparent unwillingness to face the issue, characteristic of the Agency's position over the past twelve to fifteen years.

## C2 LINKING RESPONSIVENESS WITH THE CIDA MAINSTREAM: GRANT FUNDING AND ASSESSING PERFORMANCE

### C2(i) Grant Funding and New Accountabilities

During the period of continuing growth in CIDA budgets during the 1970s and until the mid-1980s, it was accepted that the Special Programmes Branch might operate rather separately from the rest of the Agency. The branch took full advantage of that opportunity to develop a set of innovative programmes and to build close links between CIDA and Canadian civil society. Yet, for the most part, while the branch and its programmes were praised in public documents, it was tolerated rather than fully embraced by the rest of the Agency. This was particularly the case with the Bilateral branches, which have always determined the Agency agenda. SPB has been regarded, by many, as a backwater, to be avoided by those with ambition. Accordingly, there have been barriers to movement of staff between SPB and the other branches.

Since the late 1980s, there have been efforts to move the Agency more into the mainstream. One of the means of doing so was the attempt to break down barriers by forging a marriage between the NGO, ICDS and INGO Divisions, on the one hand, and the Industrial Cooperation Programme, on the other. However, although all of these programmes are now components of the Canadian Partnership Branch, they continue to operate quite separately, despite the rhetoric of public documents. Those parts of the branch dealing with the Non-Profit Sector have continued to argue for the maintenance of approaches to programming which differ substantially from those typical elsewhere in the Agency.

CIDA as an institution has been undergoing major upheavals in the past 5 years. As the Agency has moved to reexamine its role and reconsider the manner in which it manages development cooperation programmes, all branches have been obliged to justify their existence and to demonstrate the particular character of the contribution they intend to make to the corporate future.

For CPB, it is of vital importance to demonstrate to its peers in the Agency that there is order in its process and in its methods for dealing with partners. If the NGOs have little confidence in the professionalism of CPB and in its capacity to add value to their work, there is little evidence that the rest of the Agency holds it in much higher esteem.

This is, in part, the result of unfamiliarity and a lack of willingness on the part of its peers within CIDA to understand the branch's philosophy. In the absence of this understanding, the branch has made little progress in recent years in securing its unstated objectives. Among these are:

1. Achieving a new working definition of responsiveness;
2. Building a consensus in the Agency on the concept of "partnership", and
3. Gaining acceptance for its role as advisor and access-point for the rest of the Agency in their dealings with NGOs/NGIs.<sup>148</sup>

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<sup>148</sup> Author's interviews and discussions with CPB and other CIDA staff, 1989-94.

In this context, CPB has been obliged to take a more pro-active stand, blending its own concerns with the broader objectives and preoccupations of the Agency. The set of branch papers, including Implementing Change, along with Institutional Funding and Performance Assessment (discussed below), has been its primary response to CIDA's new directions.

While its discussion paper, Institutional Funding (June 1993), was turned back by Executive Committee to the branch for further consideration earlier this month, most of the main elements were accepted by senior management. Part of the difficulty for CPB in gaining the full understanding of senior management as a whole has been its history of relative isolation within the Agency, along with the related fact that its attempt to describe a rationale and framework for its programmes was unprecedented. In earlier years, it had preferred to go on quietly with its programming, without any concerted effort to present a formal policy framework to the rest of the Agency. What the paper indicated was a determination by the branch -- in part, from recognition of its need to build support elsewhere as a means to protect its territory and budget - - to link itself to the set of concerns currently under discussion at senior management level.

Thus it has committed itself to Management By Results, necessitating "an obligation to formulate at every level of the development assistance delivery process clear statements of objectives and expected results." In turn, the Agency is now asking of its partners that they formulate their proposals for Grant (as opposed to Programme) funding in terms of overall objectives and measurable results.

This approach, it is argued, maintains CPB's overall accountability, while allowing its partners to assume responsibility for detailed planning and project management. CIDA's role is to examine the capacity and commitment of the partner and to assess its performance to date as a basis for allocations decisions. The Agency would then report on the results obtained on the basis of its expenditures. Under the new accountability framework, NGO Division, for example, would not be "accountable for the realization of results of individual projects and programmes developed and implemented ..." by its NGO partners. It would, however, be responsible for the "overall results of the projects and programmes it funds" through the support it provides to its major partners.<sup>149</sup>

This mode of operating is related to a preferred direction, championed by many authorities on contemporary development cooperation, away from "blueprint" approaches to project planning and towards "flexible, iterative and learning and adapting while doing" approaches.<sup>150</sup>

The specific measures that CIDA will take in reviewing and assessing its partner's results are discussed in the preceding section of this report. By utilizing these methods, a framework will be put in place, allowing the provision of Grant Funding.<sup>151</sup>

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<sup>149</sup> CPB, NGO Division, NGO Performance Assessments and Allocations, September 1993, p. 2.

<sup>150</sup> CPB, Institutional Funding, June 1993, p. 2.

<sup>151</sup> ibid. p. 3.

Such funds "are provided for the achievement of specific programmes or objectives." They are, however, "not subject to government control over the specific uses of the funding." Thus while Eligibility Criteria will be more strictly applied, and while organizational assessment will be more detailed and thorough, line-by-line accountability for expenditures will no longer be required. This is in contrast to the situation which applies to Programme Funding, which is provided as a Contribution, subject to a Contributions Agreement. Such funds are provided to reimburse an organization for "specific approved expenditures incurred, or as a contribution towards specific, detailed costs". With programme funds, all contributions must be accounted for as payments against costs specified in a formal budget, approved in advance.<sup>152</sup>

The document notes that one of the key responsibilities for CIDA as a basis for making a grant to an approved partner will be to ensure that accountability relationships are clearly spelled out, defined and accepted. This will not be easy. In so doing, CPB must assure the Agency's senior management that its policies and procedures are consistent with "CIDA's accountability to central agencies for sound and prudent management."<sup>153</sup>

In undertaking its new approach, the branch must face a major creditability problem, inside and outside the Agency. It will be required to demonstrate that, while taking a "hands off" approach to programme planning and management, it will improve its knowledge, not only of its partners and their modus operandi, but also of the development processes in which they are engaged. The new approach to programming is designed to bring about a number of substantial improvements in the partnership programmes and their management. The anticipated results are:

- to increase CIDA's understanding of the development process;
- to improve its policies, procedures and programmes;
- to operationalize the allocations of its resources and facilitate an improvement in the performance of Canadian NGOs/NGIs and INGOs which it funds, and the performance of their Southern partners.<sup>154</sup>

It is not clear whether the branch has either the resources or appropriately prepared and experienced personnel to meet these objectives.

#### Applying the New Programming Philosophy to the University Cooperation Programme

While major developments have been taking place in NGO Division, as was noted above in Section B, major changes have also been under way in the EIP programme. In particular, the Universities have been involved over the past years in an intensive consultative process, leading up to the adoption, through an agreement arrived at among all parties, of a new programming

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<sup>152</sup> ibid.

<sup>153</sup> ibid., p. 12.

<sup>154</sup> ibid.

framework. Much of the detailed programme design was undertaken by a consultant drawn from the university community -- an individual who had the full support of all parties, namely: EIP, AUCC and the community of university International Liaison Offices. As a result of this process, there will now be two university cooperation funding schemes, both included in the overall University Partnerships in Cooperation and Development Programme.<sup>155</sup>

The Tier 1 programme, managed by CIDA, provides funding for a "programme", defined as "a coherent institutional framework, integrating a number of development activities into the overall international focus and expertise of the university." As with the NGO programmes, it has been recommended that Grant Funding be applied to Tier 1, which will receive two thirds of EIP funds. The new programme is expected to consist of multi-dimensional, multi-disciplinary and perhaps multi-institutional sets of activities, with a maximum contribution from CIDA to each approved programme of \$7 million over 5 years. The selection process appears to have been strengthened considerably over that which applied to the earlier university cooperation programme.

Tier 2, which will be managed by AUCC, consists of Projects, with a maximum contribution of \$750,000 over 5 years. At the outset, with implementation to begin early in 1995, it is anticipated that funding will be provided for perhaps three programmes and 10-12 projects.<sup>156</sup>

Assessment of proposals for the Tier 1 programme will necessitate far more detailed assessment of university capacities than CIDA has found necessary to undertake before. It will also require rather detailed measures to assess developmental results and institutional performance. In this case, as with the NGOs, what will be critical will be success in developing an appropriate means of assessment.

#### C2(ii) Measuring Performance -- More Than a Technical Issue

For the NGO programme, the foundation to implementation of the new programme is the formal Institutional Assessment of its Canadian partner organizations, which will occur every 3-5 years, and which will precede any new grant agreement. Such assessments are undertaken by external consultants, who work with programme officers and the organizations examined, not only in developing the Terms of Reference, but also at various stages throughout the assessment process.<sup>157</sup>

The NGO Division is already well advanced in implementing major elements of the new approach. Along with the formal institutional assessment, there is a second major tool, the Performance Assessment Grid, and a third, an annual financial assessment, intended to assure

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<sup>155</sup> AUCC, University Partnerships in Cooperation and Development: A New CIDA Program, August 1993.

<sup>156</sup> *ibid.*, pp. 1-3.

<sup>157</sup> Interviews with CPB program officers, and senior managers, March 1994.

CIDA of the organization's continuing financial health. These measures are most directly applicable, in full-blooded form, to the NGOs, as well as to the Volunteer-Sending agencies in ICDS. They will also be utilized, in modified form, with the other partnership programmes.<sup>158</sup>

The NGO Division Performance Assessment and Allocations instrument demonstrates, in great detail, ways in which new agency thinking is blended with more traditional expectations of NGOs at a practical level. While the document is intended to provide a basis for objective assessment, it is also designed as a means of promoting dialogue between CPB and its NGO partners. As currently implemented, the performance assessment and allocations process involves several meetings, as well as many informal conversations, between the NGO concerned and CIDA at various stages during the year.<sup>159</sup>

However, while NGO Division and others have shown a willingness to consult on new programming approaches and to engage in dialogue with partners during implementation, a commitment to consultations does not go along with a willingness to slow down and reconsider first principles. One of the most disturbing criticisms expressed by the NGO community is that while they appreciate CIDA's efforts to move toward greater coherence and consistency in relationships with partners, this initiative is taking part "without a clear or articulated agency overview of what NGOs are, where they fit into society, and why they should be supported."<sup>160</sup>

According to the OECD paper on Canada's NGOs, many organizations "spend inordinate amounts of time and effort simply reacting to changes in CIDA thinking, programmes and regulations."<sup>161</sup> As the author of this report can attest, the same is true for the universities and colleges, the VSAs and other types of partner organizations. The adoption of the new approach to programming involves substantial additional work and a reorientation of thinking on the part of the Non-Profit Sector. It is important that they be convinced that the effort is worthwhile. The lack of a substantive and philosophical basis to the new programme is particularly troubling to many of CIDA's partners, since there is evidence that the Department of Foreign Affairs, which appears to be seeking to exert greater control over ODA policy at the present time, is rather dubious about the value of maintaining existing levels of funding to CIDA's partnership programmes.

In 1994, CIDA itself lacks clarity on its overall policy and is awaiting direction on the conclusion of the current Foreign Policy Review. The NGOs and NGIs are heavily involved in the lobbying process associated with the review, in hopes of influencing its outcome. They appear to have a good deal of credibility with government and MPs, and many of their concerns are now very much "on the table" for consideration.

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<sup>158</sup> ibid.

<sup>159</sup> ibid.

<sup>160</sup> OECD, p. 18.

<sup>161</sup> ibid.

On paper, CIDA continues to take a rather technical view of development performance and development results. In practice, the institutional evaluations which have been carried out, often demonstrate a fair understanding of the organizational character and objectives of the NGOs and NGOs. This, along with the personal commitments of many staff in the NGO, ICDS and INGO Divisions, facilitates the building of a bridge of understanding between CIDA and its partners over the immediate and most critical decision -- the allocation of resources.

For the future, it is highly desirable for all parties that there be developed a more coherent and formalized understanding between CIDA and its partners as a basis for their cooperation. This understanding, in turn, should be expressed in concrete form in the dialogue and the instruments utilized in the assessment and allocations process. Technical discussions of performance assessment make little sense without a commitment to clarify and define relationships, and to spell out the limits of: 1) CIDA's "right" to shape the programme and 2) the autonomy of its partners. CPB's new set of documents appears to jump too rapidly from basic statements of objectives and assurances of commitment to dialogue to describing the various mechanisms to be employed to define its accountability and to determine allocations. However, as is noted elsewhere in this document, CIDA is an organization dominated by process and by pragmatic concerns with matters associated with programme management and the spending of money, while its partners march to a different drummer. Under such circumstances, much depends on the goodwill of both parties and the skills, sensitivities and commitments of the individuals involved.



### C3 REFLECTIONS ON THE EFFECTIVENESS AND CAPACITY OF THE NON-PROFIT SECTOR AND CIDA

The state-of-the-art of evaluation of programme impact is not highly-developed among donors in general. Like USAID, CIDA is now focusing on developing measures through which it may assess "results". The term "Effectiveness" is less rigorous and more realistic as a basis for assessing the contribution of a programme, a type of implementing organization, or an individual organization. According to the set of corporate (programme) evaluations conducted for Partnerships Branch in 1991-92, many of which have been drawn on extensively in this report, the NGOs and NGIs have performed relatively well in achieving defined project objectives. Long-term impact is more difficult to assess, and has been beyond the grasp of the evaluation methods applied in the case of the partnership programmes here considered.

However, on the basis of their role in the Bilateral programmes, as well as in those supported by CPB, a number of more specific comments may be made about NGOs and NGIs and their particular contributions to the Canadian ODA Programme.

Firstly, it is certainly the case that CIDA would have been unable to undertake the transformation of its overall programme from one focused on large infrastructure programmes to one emphasizing HRD and institution-strengthening without the support of the Canadian Non-Profit Sector. The broad range of organizations involved has enabled CIDA to make contributions on these lines not only in the more straightforward cases of education and training and health care, but also in management, planning and organizational reform across a wide spectrum of areas of economic activity. These include energy, agriculture, environmental management, transportation and water resources management. In many cases, partnership programmes have provided an avenue for testing out new ideas, which have subsequently been adopted by the Bilateral branches.

The responsive programmes have also maintained a CIDA presence in direct poverty reduction programming, which would not otherwise have existed. Recent internal agency evaluations have confirmed the validity of criticisms levelled at the Agency (and at many other Bilateral donors) by UNICEF and UNDP in recent years for its failure to devote a significant proportion of programming resources to the Human Development priority fields. Similarly, CIDA's reporting to the inter-donor group, which has followed up on the Jomtien World Education for All Conference in 1991, has indicated that the bulk of CIDA support to Basic Education has taken the form of responsive programming, through the NGOs.

#### Programme Effectiveness

As to Programme Effectiveness, the "responsiveness" mandate has made it difficult to develop specific objectives, except those concerning the achievement of partnership itself. However, the new programme frameworks and institutional assessments, when combined with more imaginative and realistic approaches to evaluating programme performance in the field, should assist in dealing with these issues. It must be recognized that the quality of programmes in this area depends largely on the quality of the overseas partner organization, and an ability to establish a match between compatible organizations. This is particularly the case with the NGOs.

A major weakness in CIDA's Programme Design and Management is a lack of a presence for CPB in the field. This problem is exacerbated by the unwillingness of the CIDA Bilateral branches and CIDA staff overseas to take any responsibility or any interest in CPB programmes. This is a major institutional failure which has limited CIDA's capacity to learn from its programmes, and has also effected its credibility in dealing with its Canadian partners. It has also at times damaged relations between Canadian Non-Profit organizations and their overseas partners. The effort by Partnership Branch to bring in experienced staff from the Bilateral branches to blend with long-term CPB staffers is a healthy trend, but it is unlikely to go very far in dealing with this major problem.

The strong commitment of many of the staff of CPB to their programmes and their partners is not always recognized by the Non-Profit Sector. This is, perhaps, particularly the case with the NGOs. This commitment, especially at middle and senior management level, has not always been there in the case of some other CPB programmes, for example, EIP, and this has tended to build cynicism among CIDA's partners.

One measure that CPB might be advised to consider is providing increased support to its partners for improving management and financial management systems. To a degree, it has done this through support extended via the umbrella associations, and by subsidizing the costs of non-profit managers attending a specialist residential management course offered by the Manitoba Institute of Management. However, such measures are inadequate, and both CIDA and its partners may have been guilty of inattention to this matter. This is true, despite the fact that the quality of responsive programming has suffered as a result of managerial inadequacies and poor planning systems within the Non-Profit Sector. This is alluded to gently in many of the evaluation documents considered in this report.

#### Financial Dependency and Building Capacity -- An Unresolved Dilemma

A number of the largest NGOs, Universities and Volunteer-Sending Agencies have demonstrated a capacity for effective programme design and management. However, CIDA's hesitancy to invest on a long-term basis in building a dedicated "critical mass" of capacity for development cooperation in such organizations has limited the depth and the absorptive capacity of such organizations. At the same time, the growth and professionalism of such organizations as the Association of Community Colleges of Canada, and its ability to facilitate active networking among its members, demonstrates the potential for CIDA funds to generate opportunities for Canada-based Non-Profit organizations to perform a broader role.

However, given the relatively small size of the Canadian "market" for ODA-related work, and the limited opportunities for Canadian Non-Profit organizations to gain international contracts, CIDA faces a major dilemma in how it will deal with the capacity-building problem. One of its biggest partners, and the largest of the non-profit Bilateral contractors, WUSC, declared bankruptcy in 1990.

Poor financial controls and ineffective management systems were part of the problem; but part of the failure stemmed from WUSC's dependency on CIDA in an uncertain climate. Depending on a continuing flow of CIDA funds, WUSC sought to use its CIDA revenue as a seed-fund in competing for programmes on the international market. Things fell apart when unanticipated budget cut backs imposed by Cabinet on CIDA suddenly closed off a number of prospective CIDA contracts WUSC had expected to obtain. At the same time, increasing pressure from the private sector at the ministerial level had pushed CIDA to reduce the flow of Bilateral funds into "Country Focus" projects as a move to ensure a larger share of limited funds for the private sector.

WUSC, was in large part, the author of its own misfortune. But, as a large non-profit contractor, its dramatic growth was not only facilitated but encouraged and actively promoted by CIDA. In the 1980s, it was agency policy to contract out the management of large projects as far as possible. In particular, CIDA needed access to the services of external organizations to manage large technical cooperation programmes, involving support to, and placement of, large numbers of students and trainees. WUSC (and others) stepped in to fill the void. Thus CIDA must carry the share of the responsibility for the organization's difficulties.

After at first refusing to take any responsibility for WUSC's situation, ultimately CIDA worked with the Official Receiver appointed to manage WUSC's affairs and contributed \$1.5 million to rescue the Agency. It also devoted the time of several senior managers, over a period of several months, to address the WUSC situation. Today, a much smaller and restructured WUSC is operating quite effectively, but under constant supervision from CIDA.<sup>162</sup>

While CIDA's financial assessment procedures have been improved, problems of this kind will not go away entirely. Overseas, WUSC and organizations like it are regarded as an arm of the Government of Canada, not unlike the British Council, though without the visibility and international recognition that the Council enjoys. Through the Non-Profit Sector, CIDA makes major commitments to overseas partners which cannot be easily shrugged off.

Financial Dependency is a major unresolved issue. It is one of the factors which has led CIDA to reduce its commitment to the Volunteer-Sending Agencies. However, in the future, as budgets increase (of course, this may not occur), CIDA may once again be obliged to turn to programme partners to carry out its programmes. It is not likely to find such partners in the private sector.

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<sup>162</sup> Information on the WUSC case-study based on author's interviews with WUSC managers in 1989-90 and with CIDA officials close to the WUSC situation, as well as outside observers.

## D LESSONS FOR JICA POLICY

Considered in the broadest terms, Canada's experience with the Non-Profit Sector has been extraordinarily successful. The principal benefit is the existence of a core of citizens knowledgeable and experienced in working with counterparts in developing countries, and with contributions to make to public policy debate on vital international issues. The Non-Profit Sector also offers the capacity of a set of organizations, more flexible and adaptable in character than government agencies, and able to draw on an astonishing range of skills, expertise and experience.

There are a number of practical lessons to be learned from the Canadian experience. These may be of assistance to JICA as it ponders the role of its own Non-Profit Sector.

1. Initially, it is important to provide space, or the opportunity, to allow Japanese partner organizations to demonstrate their interests, commitment and capabilities. Over time, it will be essential to make choices, based on published criteria, in investing in support for those organizations which demonstrate long-term commitment, imagination, and a capacity to learn from their experience.
2. It will be advisable to be cautious in considering the role of new types of partner organizations. New programmes should be introduced on a modest basis initially, with substantial provision for monitoring, in close cooperation with partners.
- 3.(i) Initially, it may be wise to limit the geographic spread of programming support as JICA develops its own methods of working with NGOs and other Non-Profit partners. It will be sensible to begin in areas where JICA has a reasonably strong field presence. JICA may also wish to consider mechanisms to advise NGOs, particularly on effective methods of cooperating with local partners in particular countries.
- (ii) Canada's experience of NGO Coalition Programmes, where a group of Canadian NGOs work together with counterpart organizations from a country/region in project identification, matching organizations and determining funding allocations, may offer a useful model.
4. NGOs, in particular, are not a homogeneous group. In Japan, as the "development community" becomes larger, it is likely that differences will become more apparent than at present. It will be important for JICA to be prepared for this, recognizing the need for representation of a variety of views and approaches. JICA would also be well-advised to prepare itself to accept an increased level of scrutiny as NGOs and other relevant organizations become more experienced, and thus more confident of their ability to contribute to debates on ODA. On the other hand, JICA will also benefit from the emergence of a much larger development community, generally supportive of ODA.

5. Particularly important in establishing a basis for building relations of openness and trust with the Non-Profit Sector will be the development of an approach to programme development linked to consultations with partner organizations. Such consultations should offer substantial opportunities for input from the organizations. In turn, it should always be the case that the input received is seen to have an effect on the outcome. CIDA's recent success in the development of a new university cooperation programme through an open, consultative process is a good example of what can be achieved.

JICA's own skills and experience in consensus-building with other government ministries and agencies will serve it well, but working with Non-Government partners will make different demands on the Agency.

6. It might be considered that CIDA has devoted insufficient attention to "prequalifying" its partners, particularly the NGOs. However, the introduction of a graduated sequence from project to programme to grant funding now offers the Agency the means to assess the capacities of new partners before making major financial commitments to support their activities.

JICA would do well to consider the development of mechanisms allowing it to offer support in the nurturing of administrative and managerial capacities in partner organizations, as well as development knowledge. Steps should be taken to encourage professionalism and commitment to strong financial management as a means to put idealism to work and thus produce positive results with overseas partners.

7. It will be worthwhile to learn from the Canadian experience with Umbrella Organizations, such as The Canadian Council for International Cooperation, The Association of Community Colleges of Canada and The Federation of Canadian Municipalities. They have made important contributions to strengthening the professional commitment of their members. They also provide an important forum for the sharing of experiences. Finally they provide a valuable focus for dialogue and exchange of views with CIDA.

8. Japan has its own set of organizations equivalent to NGOs, and yet many of those are, in fact, quasi-governmental organizations, linked to particular ministries. Clearly, careful thought will need to be given to what might be the most appropriate types of partner organizations in Japan.

The Municipalities and Prefectural International Associations would appear to represent a natural set of partners, many of which are already involved in some form of international activities. Working with prefectural associations may also provide an interesting mechanism for involving new NGOs in ODA-related work. Japan's universities, research institutes and colleges are clearly underutilized in ODA-related activities. Presumably their further involvement depends on the position of the Ministry of Education.

9. JICA will be obliged to develop its own capacity to work with NGOs and other elements of the Non-Profit Sector. It will be essential for the Agency to build an appreciation of their capacities and organizational cultures. The Agency should also consider, at an early stage, how to facilitate support to NGO programming and how such programming will relate to ongoing activities. Canada's "responsive" partnership programmes have much to commend them. However, relations between the Partnership Branch and the Bilateral Branches is not as it should be. JICA would do well to think through institutional and internal management issues very thoroughly at an early stage.
10. Finally, for Japan's Non-Profit Sector, it will be important that there is recognition at an early stage that Partnership is just that. Partnership programmes are supported, firstly, as a means to build cooperative relations with counterpart organizations overseas. Such support, however, is extended in order to assist those partners in achieving their objectives, not those of the donor country partners. Respect for the autonomy and dignity of overseas partners from the beginning is essential. It took some years for the Canadian Non-Profit Sector and CIDA to fully comprehend this simple but awkward point.



